

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: December 17, 1980

Present: Mr. France
Dr. Winchell
Ms. Perlmutter
Dean Weaver
Mr. Westerman
Ms. Sandberg
Mr. Dickler

Absent: Mr. Atwood
Ms. Givens
Dr. Eisenberg
Mr. Hewitt
Mr. Bienias
Dr. Buckley

Guests: Ms. Foley
Ms. Ahlgren

Mr. France initiated the Planning and Development Committee meeting at approximately 12:00 by noting that Mr. Atwood would not be able to attend this meeting and had asked Mr. France to chair the meeting. Mr. France then asked for a motion to approve the November 19, 1980 minutes, and the motion was seconded and the minutes were approved without modification.

Mr. France then asked Mr. Dickler to provide the Committee with an update on the University Hospital Renewal Project. Mr. Dickler initiated his comments by reviewing the Certificate of Need process which had occurred during the past month. It was reported that the Metropolitan Health Board had met the evening of the last Board of Governors meeting and had heard testimony from a limited number of parties including the Citizens League. Following the public hearings, and some discussion by members of the Metropolitan Health Board, they approved the Renewal Project by a 14 - 2 vote.

The Certificate of Need application was then forwarded to the Human Resources Committee of the Metropolitan Council on November 24. The Human Resources Committee had an extensive discussion regarding the Renewal Project and raised concerns related to the financing mechanisms,

impact of HMOs, size of the project, disparity between urban and suburban community needs, the adequacy at the Metropolitan Health Board review and information provided to the Metropolitan Council, and legislative involvement. It was noted that given the existing process of the Metropolitan Health Board and Metropolitan Council that the University does not make a presentation to the Metropolitan Council Human Resources Committee and that the Metropolitan Council review is technically on the Metropolitan Health Board process rather than on the project itself. At the conclusion of the Human Resources Committee the committee did not make a recommendation to the Metropolitan Council on the project on the basis of a four in favor and four against vote.

In the interim between the Human Resources Committee meeting and the full Metropolitan Council meeting some additional information was provided to the Metropolitan Council members (see attached). At the full Metropolitan Council meeting on December 4 there was a relatively limited discussion, and the Metropolitan Council approved the University Hospital Renewal Project Certificate of Need application by a 7 to 4 vote. This recommendation has now been forwarded to the Commissioner of Health for his review and potential approval, and it is anticipated that the Commissioner will act by early January, 1981.

Mr. France then noted that the Finance Committee of the Board of Governors had discussed the Citizens League comments at some length and had suggested that several actions be taken to counter the potential negative impact of this testimony. The Finance Committee had recommended to administration that the Hospital develop both a brief response which could be available to external parties in relationship to the Citizens League testimony and that some attempt be made to meet with the Citizens League and try to respond to the concerns expressed within their testimony. It was noted by Mr. Dickler and others that the Citizens League testimony will generally be well regarded by parties not present at the Metropolitan Health Board meeting even though the testimony was extensively criticized by Metropolitan Health Board members and the representative of the Citizens League, at the conclusion of his comments, apologized for the misunderstandings and inaccuracies contained within the testimony.

Mr. France then asked Mr. Dickler to continue with his update report on the Renewal Project. Mr. Dickler briefly reviewed meetings which had occurred with legislative staff. A draft copy of the bill which is now under consideration for the Renewal Project by staff of the Governors office and appropriate legislative committees was also distributed. Mr. Dickler noted that it was anticipated that hearings would be occurring early in the legislative session, and Mr. France noted that the Finance Committee had recommended that every effort be made to proceed with legislative action as early in the session as possible.

Mr. Dickler also reported that the design activities of the Renewal Project continue to remain on schedule, that comprehensive insurance programs are being investigated for the Renewal Project, and that a no strike/no lockout agreement is being investigated in relationship to its benefits through the construction management firm. Mr. Dickler also reported that Nursing and all other Powell Hall occupants will relocate from Powell Hall by mid-December of 1980 and that the structural system for the new construction portion of the Renewal Project will consist of reinforced concrete on the first three floors with steel framing on the remaining levels.

Mr. France then asked Ms. Ahlgren to provide the Committee with an update on remodeling projects. Ms. Ahlgren distributed the enclosed report and noted that since July, 1980, 68 projects have been initiated or completed. Ms. Ahlgren highlighted several projects contained within the report including the relocation of the computer center, the development of a septic ICU, and the development of nourishment stations in Masonic 3 which could function as pilot centers for Renewal Project planning. Ms. Ahlgren noted that the total cost of the remodeling contained within this report was approximately 1.2 million and that a third of the projects are complete as of this date.

The Committee then reviewed a letter from the President to Mr. Westerman regarding the long-range planning process of the University of Minnesota. Mr. Dickler noted that this letter was in relationship to a long-range planning document developed and approved by the Planning and Development Committee and full Board of Governors in January of 1980. It was noted that it had been anticipated that comments would be received in an earlier timeframe than was presently indicated by the President's letter. The change in timing was due to a re-emphasis in the University long-range planning process to concentrate on academic units and tie those reviews into the ongoing budget process. At the present time it is anticipated that the Planning and Development Committee would need to review and update the long-range planning document for the University in spring of 1981.

In response to a question Mr. Dickler noted that the long-range plan for the Metropolitan Health Board has essentially been updated through the Renewal Project Certificate of Need process. It was anticipated, however, that representatives of the University and the Health Board would be meeting again in March or April of 1981 as part of Phase IV of the Health Board's long-range planning process.

There being no further business before the Planning and Development Committee it adjourned at approximately 12:45.

Respectfully submitted,



Robert M. Dickler

RMD/kc

attachments



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

Dear

As you are aware, the Metropolitan Council will be reviewing the University Hospitals Renewal Project Certificate of Need application, and associated Metropolitan Health Board findings and recommendations, at its December 4, 1980 meeting. During the Human Resources Committee meeting on November 24 several questions were raised that may not be adequately addressed in the materials forwarded to the Council by the Health Board. We would like to take this opportunity to briefly clarify the need for the project, the proposed financing structure, and the potential impact of HMO's and other market forces on University Hospitals and Clinics.

Need

The majority of University Hospitals inpatient care and support facilities are located in a series of buildings developed from 1911 to 1954. These facilities; because of their age, design, and structural configurations; are incapable of meeting contemporary standards for patient care delivery. Problems include inadequate mechanical, plumbing and electrical systems, inadequate patient room sizes and configurations, absence of support and storage facilities, and inappropriate functional relationships. There is a need to substantially increase the space available for patient care activity through a combination of new construction and remodeling. Indeed, almost all hospital functions are experiencing extreme space shortages as evidenced by the findings of external consultants, accreditation surveys and comparison with national standards.

Financing

The University of Minnesota will propose to the legislature and the Governor that the Renewal Project be financed through the sale of General Obligation Bonds which will be repaid by the University through patient care revenue. Initial discussions with the Governor (see attached letter) and legislative representatives have indicated interest in pursuing this proposal, after Certificate of Need review, due to its substantial savings in comparison to University Bonds. Debt capacity and financing studies through the Ernst & Whinney and Dain Bosworth have indicated that the project is financially feasible using either State General Obligation or University Bonds for debt financing.

Both the Renewal Project cost estimates and the operating cost estimates include inflationary increases through 1988. The escalation of patient rates through 1988 is primarily the result of inflation. The proportion of operating costs which will be required for debt service meet all appropriate financial guidelines. In 1981 dollars the relationship between operating costs and debt service expense is similar to that experienced by other hospitals which have recently undergone major capital programs.

Market Forces

During the Human Resources Committee discussion several questions regarding the impact of increased costs, HMO's, competitive forces, and manpower production were raised. These kind of uncertain variables were also present at other critical times in the hospital history. The development of a full time medical staff, the implementation of medicare-medicaid and the rapid increase in the output of highly trained medical specialists were all events that caused a major consideration of the size and kind of university hospital required. The critical mass represented in this application represents our best judgment based on historical trends and evaluation of market forces.

In developing projections of admissions and patient days through 1990 University Hospitals and Clinics has explored the potential aggregate impact of all current and foreseeable market forces on admissions and patient days. On the basis of this analysis, a series of projections were developed and the two lowest projections were utilized for fiscal, facility, and programmatic planning. The University Hospitals Renewal Project incorporates a flexible bed configuration. The Hospitals are committed to adjusting their bed configurations and associated operating costs in accord with fluctuations in patient census and acuity.

The Hospitals planning process has included discussions with most metropolitan hospitals, citizen and neighborhood groups, outstate HSA's, legislative representatives, and all other interested parties. A number of metropolitan and outstate hospitals and health organizations have indicated their support for the project and a list of those organizations is attached. Finally, in relationship to HMO's, University Hospitals and Clinics has developed an agreement for OB services with one HMO and is exploring agreements to interface with other HMO's as a tertiary care provider.

We appreciate your consideration of these comments and have included a summary of our Certificate of Need application for your review. We hope you will feel free to contact us to discuss any specific questions or concerns and, if you feel it is appropriate, to tour our facilities. Thank you for your interest and consideration of this matter.

Yours truly,

John H. Westerman
General Director

kc



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR

ALBERT H. QUIE
GOVERNOR

ST. PAUL 55155

NOV 12 1980

October 30, 1980

Dr. C. Peter Magrath
President
University of Minnesota
202 Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455

Dear Dr. Magrath:

Thank you for your October 3 letter outlining the plans and progress on the Hospital Renewal Project.

Your proposal to fund the project through borrowing of State General Obligation Bonds appears to be a sound approach which should result in significant savings to the University and the users of the new facility.

In order to avoid any unnecessary delays in your planning schedule, we will review this project sometime during the November 20 budget hearing.

Sincerely yours,

A large, stylized handwritten signature of Albert H. Quie, written in dark ink.

ALBERT H. QUIE
GOVERNOR

cc:Wayne Burggraaff
AHQ:vvd

UNIVERSITY HOSPITALS AND CLINICS RENEWAL PROJECT
LETTERS OF SUPPORT

Abbott-Northwestern Hospital	Minneapolis, MN
Advancement of Health Services Through Cooperation	
Appleton Municipal Hospital and Nursing Home	Appleton, MN
Beltrami Health Center	Minneapolis, MN
Children's Health Center	Minneapolis, MN
Chippewa County-Montevideo Hospital	Montevideo, MN
Divine Providence Hospital and Home	Ivanhoe, MN
Fairview Community Hospitals	Minneapolis, MN
Fremont Community Health Services	Minneapolis, MN
Granite Falls Municipal Hospital and Manor	Granite Falls, MN
Health Central System	Minneapolis, MN
Hennepin County Medical Center	Minneapolis, MN
Johnson Memorial Hospital and Home	Dawson, MN
Kittson Memorial Hospital	Hallock, MN
Madison Hospital Association	Madison, MN
Mille Lacs Family Health Center	Isle, MN
Ortonville Area Health Services	Ortonville, MN
St. Paul Ramsey Medical Center	St. Paul, MN
Swift County-Benson Hospital	Benson, MN

Summary

University of Minnesota Hospitals and Clinics Renewal Project

Certificate of Need Application

I. Introduction

Since its establishment in 1911, the University of Minnesota Hospitals has developed into one of the preeminent University Hospitals in the United States. As part of the University of Minnesota Health Sciences Center, the Hospitals provide a broad range of health services and serve as a core facility for clinical education and research for the entire University.

The tripartite mission of service, education, and research distinguishes University Hospitals and Clinics from the vast majority of hospitals in the United States. Of over 6,000 hospitals in the country, approximately 400 serve as teaching hospitals. These 400 hospitals, furthermore, typically have very limited educational and research activities in comparison with the 64 university owned hospitals. In fact, it is the 64 university owned hospitals which serve as the core facilities for the majority of academic health centers in the United States.

It is the full spectrum of service, education, and research activities occurring within University Hospitals and Clinics and the University of Minnesota Health Sciences Center which permits the University to fulfill its mission in each of these areas. Thus, the service capabilities of University Hospitals are dependent on, and are a reflection of, the scope of faculty, student, and research activities occurring within the institution. Likewise, the scope of health sciences research at the University of Minnesota, which is one of the highest in the United States (over \$45 million dollars), is reflective of the sophisticated care programs and range of educational activities.

Commitment to excellence in patient care, education, and research has permitted University Hospitals and Clinics to offer an array of services, techniques, and treatments which is unsurpassed in the State of Minnesota and upper midwest region. In addition to being a full service hospital, University Hospitals have nationally recognized programs in such diverse areas as Bone Marrow Transplantation, Kidney Transplantation, Cystic Fibrosis, Anorexia Nervosa, Hemophilia, and Diabetes. These activities, and many others, can only develop within the total context of an academic health center.

The unique role and mission of University Hospitals, in relationship to other Twin Cities hospitals, is also reflected in patient origin and diagnostic profiles. Of the 21,641 admissions to University Hospitals in 1978-79 only 42.9% came from the seven county metropolitan area while 37.7% came from the rest of Minnesota and 19.4% from other states. While the most frequent diagnosis during 1977 in community hospitals was newborn delivery and care, the most prevalent diagnosis at University Hospitals was chemotherapy aftercare.

II. Need for the Renewal Project

To continue to fulfill its three interrelated roles of service to patients, education and research, University Hospitals must maintain an environment which meets the needs of today's health care delivery system. This environment depends, in large part, on the facilities available.

Like many other academic health centers, University Hospitals main facilities were developed in the early part of the 20th century when physical facility requirements were substantially different from contemporary standards. In essence, the majority of inpatient care and support facilities are both antiquated and overcrowded.

The existing main hospital complex (referred to as the Mayo Complex) was developed as a series of building programs from 1911 to 1954. The design of these facilities, as well as the structures themselves, prevent them from being remodeled or reconfigured to meet contemporary requirements. For instance, many of the mechanical, plumbing, and electrical systems are obsolete. Horizontal and vertical transportation systems are overutilized and inappropriately mix public, staff, patient, and materials traffic. Departments and services are located where space has been made available rather than in recognition of proximity, functional, and care requirements.

In addition to being antiquated, the overall hospital complex is severely space deficient. Most patient care areas and support departments are overcrowded and inefficient. There is almost a total absence of public areas, support space for education and staff activities, and inappropriate mixing of functions which should have separate and distinct facilities. For example, approximately 24% of all patient care rooms are deficient in space and approximately 12% do not have integral toilet facilities.

III. Capital Facilities Planning Process

The need to upgrade University Hospitals and Clinics physical facilities has been recognized and planned for since the mid-1960s.

The University Hospitals Renewal Project is an integral part of an overall Health Sciences Master Plan which was formalized and approved by the University and Legislature in the 1960s. The first phase of this plan concentrated on the development of expanded and renovated facilities for academic units as well as the Hospitals' outpatient clinics. These

facilities were given priority because of the substantial increase in health sciences educational programs, severely deficient facilities, and logistical complications.

In the mid 1970s active planning for Hospital facilities was initiated as phase I of the Health Sciences Master Plan was being completed. The University of Minnesota Board of Regents, through the University Hospitals Board of Governors, considered a variety of options for upgrading Hospital facilities. These included total replacement of existing facilities, renovation without new construction, a phased construction and renovation project, and a unified construction and renovation project. After lengthy consideration it was determined that the only viable option in terms of adequate upgrading of facilities, impact on current operations, and overall functional integration of facilities was the unified construction and renovation option. This unified program is the University Hospital Renewal Project.

In mid-1979 the University Board of Regents authorized the initiation of detailed planning for the Renewal Project. Since that time the Board of Governors of University Hospitals and Clinics have initiated an internal planning process and, through the University, acquired the services of program, architectural, and construction management consultants. A functional program for the project was completed in March, 1980 and schematic designs and cost estimates were completed in August, 1980. Submission of a Certificate of Need application to the Metropolitan Health Board is the next step in the project schedule which envisions new construction starting in July, 1981.

It should be noted that planning for the Renewal Project has recognized, and operated within, the parameters and guidelines of the Health Sciences

Master Plan, Statement of Mission and Goals for University Hospitals and Clinics, and the Metropolitan Health Board's Health System Plan. In addition the Renewal Project integrates, to the extent possible, all existing facilities and major renovation programs which have been undertaken over the past decade.

IV. Renewal Project Description

A. Area and Population to Be Served

University of Minnesota Hospitals and Clinics serves patients from throughout the nation and the world. Findings of its clinical research are published internationally. However, University Hospitals does define its primary service area for education, research and patient care as the state of Minnesota. Of the inpatients treated at the hospitals, 80% live in Minnesota.

The population of the state has been growing and is expected to continue to grow at least 0.7% annually. University Hospitals expects a stable demand for inpatient service over at least the next fifteen years.

Statewide, population trends show significant growth in the proportion of middle-aged and aged people. These two age groups are heavy users of inpatient hospital services. Projections indicate that these groups will represent more than half of the total growth of the metropolitan area population between 1980 and 1995.

B. Construction and Renovation

A new eleven story building, Unit J, will be constructed on the site where Powell Hall now stands. Powell Hall was built in 1933 and 1945 as a nurses' dormitory and is now totally outmoded for this purpose.

When it is completed, Unit J will contain the majority of acute-care patient services. These will include surgery suites, delivery rooms, nursing stations and diagnostic and treatment services for acute-care patients. The fifteen nursing stations will be built to a standard design which can adapt easily to different types of patient care. The standard design also contributes to efficiency.

Similar departments and functions will be grouped together in common areas. They will share support spaces such as conference rooms, family waiting rooms, and equipment storage areas. They will also share personnel in some support functions.

Several ancillary and support departments, such as laboratories, will be split between Unit J and the renovated main hospital complex (Mayo Complex). Unit J will include only those critical acute-care services necessary for direct inpatient support. The others will be in Mayo.

The existing Mayo complex building has fourteen floors used for hospital and academic space. The Renewal Project proposes to retain and renovate some space on five floors which will continue to be used by the hospitals for ancillary and support departments, Physical Medicine and Rehabilitation Treatment Center, Dialysis and Cystoscopy. The rest of this building will continue to be used for classrooms, offices and other academic space.

Variety Club Heart Hospital will be renovated to house psychiatric services. This building will have links to both Mayo and Unit J to provide convenient care for patients who have physical illnesses as well as needing psychiatric care.

The Renewal Project will not substantially affect Masonic Memorial Cancer Center, Children's Rehabilitation Center, or other Hospital facilities although the Clinical Research Center in Masonic will be expanded and renovated.

The total operating bed capacity of University Hospitals and Clinics, at the completion of the Renewal Project, will be a range of 653 - 713 beds. This represents a decrease in operating capacity from 1977 of over 56 beds. The Hospitals will also reduce its licensed capacity by over 120 beds.

Tunnels and bridges will link the five hospital buildings for efficient and separate movement of patients, staff, public and supplies. Unit J will also have separate elevator banks for these kinds of traffic.

C. Cost Estimates and Capital Financing

Initial planning for the Renewal Project indicates that 740,000 architectural gross square feet of new construction and 357,000 architectural gross square feet of renovation will be required. It is estimated, on the basis of these figures and other considerations, that the project will cost approximately \$114,000,000 for new construction, \$39,000,000 for remodeling, and \$79,500,000 for equipment, fees, site work, utilities, etc. for a total project cost of \$232.5 million dollars. These figures do not include the remodeling of vacated areas for other Health Sciences activities.

The University will seek permission from the State in early 1981 to finance the project by the sale of tax-exempt State of Minnesota General Obligation Bonds. The interest on these bonds is estimated to be 7% and will substantially reduce the interest expense in comparison with other bonding options. The bonds will be repaid by the University

of Minnesota from hospital resources. Debt service related to the project (the amount added to patient charges to repay part of these loans) will begin in 1986.

Two independent organizations, Ernst and Whinney, an accounting firm, and Dain Bosworth, an investment firm, have analyzed the University of Minnesota Hospitals and Clinics debt capacity and ability to generate revenue to repay loans. They report that the project is financially feasible.

D. Proposed Project Schedule

Submission of an Application for Certificate of Need to the Metropolitan Health Board at this time is in accord with the project's schedule of commencement and completion dates. Future dates on that schedule are:

Spring 1981	Demolition of Powell Hall
July 1981	New Construction Begins
Early 1985	Completion of New Construction
Summer 1985	Renovation Begins
Fall 1987	Completion and Occupancy of Renovated Areas

V. Description of Scope of Full Application Document

This document provides an overview and summary of University of Minnesota Hospitals and Clinics Application for Certificate of Need. The full application includes some 150 pages amplifying the points made in this summary. It includes charts, maps and other exhibits as well as a detailed Appendices.

1981 Draft I
Diehl 12/09/80

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A bill for an act

relating to the University of Minnesota hospitals;
authorizing the sale of state bonds and loan of
the proceeds of the sale to the board of regents
of the University of Minnesota appropriating
money; amending Minnesota Statutes 1978, Chapter
158, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Chapter 158, is
amended by adding a section to read:

[158.20] [UNIVERSITY HOSPITALS BONDS.] Subdivision 1.
[PURPOSE AND APPROPRIATION.] For the purpose of providing
money to be loaned to the board of regents of the
University of Minnesota for the acquisition and betterment
of public land, buildings, and improvements of a capital
nature needed to provide facilities and services at the
University of Minnesota hospitals, including interest
during construction, the commissioner of finance shall sell
and issue bonds of the state of Minnesota in an aggregate
principal amount not to exceed \$250,000,000 for the prompt
and full payment of which, with interest thereon, the full
faith, credit, and taxing powers of the state are

1 irrevocably pledged. The proceeds of the bonds are
2 appropriated and shall be loaned to the board of regents of
3 the University of Minnesota and shall be available until
4 the purposes for which the bonds were authorized have been
5 accomplished or abandoned, and the appropriation of the
6 money shall not cancel. When the board of regents shall
7 certify to the commissioner of finance that the purposes of
8 an issue have been accomplished or abandoned, any
9 unexpended balance of the proceeds shall be transferred and
10 credited to the state bond fund. The bonds shall not be
11 subject to restrictions or limitations contained in any
12 other law.

13 Subd. 2. [ISSUANCE OF BONDS.] Upon request by
14 resolution of the board of regents of the University of
15 Minnesota the commissioner of finance shall sell and issue state
16 general obligation University of Minnesota hospitals bonds
17 in the aggregate amount requested, in one or more series,
18 upon sealed bids and upon the notice, at the price, in the
19 form and denominations, bearing interest at the rate or
20 rates, maturing in the amounts and on the dates, without
21 option of prepayment or subject to prepayment upon the
22 notice and at the times and prices, payable at the bank or
23 banks within or outside the state, with the provisions for
24 registration, conversion, and exchange and for the issuance
25 of notes in anticipation of the sale or delivery of
26 definitive bonds, and in accordance with the further
27 regulations, as the commissioner of finance shall
28 determine, subject to the approval of the attorney general,
29 but not subject to the provisions of sections 15.0411 to
30 15.0422. The bonds shall be executed by the commissioner
31 of finance and attested by the state treasurer under their
32 official seals. The signatures of the officers and any
33 appurtenant interest coupons and their seals may be

1 printed, lithographed, engraved, or stamped on the bonds,
2 except that each bond shall be authenticated by the manual
3 signature on its face of one of the officers or of an
4 officer of a bank designated by them as authenticating
5 agent. The commissioner of finance shall ascertain and
6 certify to the purchasers of the bonds the performance and
7 existence of all acts, conditions and things necessary to
8 make the bonds valid and binding general obligations of the
9 state of Minnesota, subject to the approval of the attorney
10 general.

11 Subd. 3. [EXPENSES.] All expenses incidental to the
12 sale, printing, execution, and delivery of bonds pursuant
13 to this section, including but not limited to actual and
14 necessary travel and subsistence expenses of state officers
15 and employees for the purposes, shall be paid in accord with
16 section 16A.64, subdivision 4.

17 Subd. 4. [LOAN TERMS.] Before issuing any bonds under
18 this section, the commissioner of finance shall receive
19 from the board of regents of the University of Minnesota
20 its written agreement to use the proceeds of the bonds for
21 the purposes described in subdivision 1, and to repay the
22 loan of the proceeds of the bonds and interest thereon.
23 Interest shall accrue on that portion of the bond proceeds
24 loaned to the board of regents from the date the funds are
25 transferred to the control of the regents of the University
26 of Minnesota and shall be payable annually on or before November 1,
27 commencing the first year following the transfer of
28 funds to the regents of University of Minnesota, through
29 1983. Commencing on or before November 1, 1984 and on or before
30 November 1 of each year thereafter the regents of the
31 University shall pay installments of principal and interest
32 on those terms provided in the regent's written agreement.
33 The board of regents of the University of Minnesota shall

1 be obligated to repay the loan only from the proceeds of the
2 bonds issued by the state and loaned to the regents of the
3 University of Minnesota or from the operating revenues and
4 nonoperating revenues including appropriated funds of the
5 University of Minnesota hospitals in excess of operating
6 expenses (exclusive of interest expense and provision for
7 depreciation) for the most recent fiscal year of the University
8 of Minnesota hospitals preceding the date on which the
9 installment is payable on the loan. If in any year the
10 installment of the loan paid is less than the installment
11 due, the deficiency together with interest thereon, shall
12 be payable with the next annual installment of the loan.
13 When the total amount paid by the board of regents of the
14 University of Minnesota equals the total amount of the
15 principal of and interest on the bonds, the loan shall be
16 satisfied and cancelled.

17 Subd. 5. [UNIVERSITY OF MINNESOTA HOSPITALS BOND ACCOUNT.]

18 The commissioner of finance shall maintain in the state
19 bond fund a separate bookkeeping account designated as the
20 University of Minnesota hospitals bond account to record
21 receipts and disbursements of money transferred to the fund
22 to pay University of Minnesota hospitals bonds and income
23 from the investment of the money, which income shall be
24 credited to the account in each fiscal year in an account
25 equal to the approximate average return that year on the
26 funds invested from that account known as the debt service
27 fund, as determined by the commissioner of finance, times
28 the average balance in the account that year.

29 Subd. 6. [APPROPRIATIONS TO THE UNIVERSITY OF MINNESOTA
30 HOSPITALS BOND ACCOUNT.] All loan payments received from the
31 board of regents of the University of Minnesota hospitals
32 and all income from the investment of the proceeds from the
33 issuance of the bonds before that money is loaned to the.

1 University shall be credited to the University of Minnesota
2 hospitals bond account. In order to reduce the amount of
3 taxes otherwise required to be levied, the commissioner of
4 finance shall transfer funds to that account as provided in
5 section 16A.65. In addition, the commissioner may issue
6 state refunding bonds as provided in section 16A.66, without
7 the approval of the executive council, in order to meet the
8 obligations of or retire the state general obligation University
9 of Minnesota hospitals bonds.

10 Subd. 7. [TAX LEVY.] On or before December 1 in each
11 year the state auditor shall levy on all taxable property
12 within the state whatever tax may be necessary to produce
13 an amount sufficient, with all money then and theretofore
14 credited to the University of Minnesota hospitals bond
15 account, to pay the entire amount of principal and interest
16 then and there due and principal and interest to
17 become due on or before July 1 in the second year thereafter
18 on University of Minnesota hospitals bonds, as provided in
19 section 16A.64, subdivision 6.

20 Sec. 2. [EFFECTIVE DATE.] This act is effective on
21 the day following its final enactment.

UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

December 16, 1980

TO: Planning and Development Committee, Board of Governors

FROM: Donna Ahlgren, Associate Director

The current hospital remodeling/renovation projects are described on the attached pages. This listing includes all approved projects for this fiscal year and incomplete projects budgeted in previous fiscal years.

attachment

DA/ks

CURRENT HOSPITAL REMODELING/RENOVATION

PROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Bio Medical Engineering	Install vacuum & oxygen in work room	\$ 2,300	Project complete
Communication	Modify Information Desk in Mayo	1,000	Project complete
Computer Services	Remodel new space for Computer Room	360,000	Project under construction
Infection Control	Develop Infection Control Laboratory	88,000	Design complete
Hospital Laboratories	Remodel space for Labs Data Division	2,000 For Design	Design in process
	Install freezer alarm system for Immunopathology	650	Project in process
	Develop new autopsy entrance and modify ventilation	10,000	Project in process
	Install freezer alarm system for Labs in JOML	10,000	Project cancelled
	Develop blood drawing station in Outpatient Lab	6,750	Project under review
	Remodel EKG Lab in VCHH Room 174	2,000	Project under review
	Install two dishwashing sterilizers	17,000	Design complete
	Modify Medical Genetics Lab	650	Project under review
Maintenance & Operations	Install intercom between Blood Bank and Operating Room	2,000	Project under review
	Remodel public restrooms on 3rd floor Mayo for handicapped	15,000	Project in design
	Install central antenna system	24,000	Project in construction
	Install Kool Shades on Elliot Wing windows	27,000	Project complete

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Maintenance & Operations	Install automatic doors between Masonic & Phillips/ Wangensteen Building	\$ 2,000	Project in process
	Develop a corridor on 1st floor of Mayo as required by the Fire Life Safety code	75,000	Project complete
Material Services	Remodel supply rooms on nursing stations	20,000	Project complete
	Move Material Services mini-computer from Powell Hall to Como warehouse	2,700	Project complete
Nursing	Develop a Septic Intensive Care Unit	30,000	Project in process
	Modify various Pediatric spaces	5,000	Project complete
	Install sink in Masonic I corridor	1,200	Project complete
	Remodel Kidney Dialysis Unit	14,500	Project in process
	Remodel Station 49 tub room	1,000	Project complete
	Install new overbed lights on Station 30	6,500	Project complete
	Remodel storage room on Station 35	3,000	Project complete
	Remodel supply room on Station 47	5,000	Project in process
	Remodel Station 55 medication room	5,000	Project in process
	Remodel Station 59 Report/Conference Room	7,500	Project complete
	Install call light between Station 59 desk and nursery	1,500	Project complete
Remodel seclusion rooms on Station 60	2,800	Project in process	
Install sliding doors to Station 62 lounge	1,000	Project cancelled	

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Nursing (Continued)	Install new ceiling on Station 62	\$ 8,000	Project complete
	Develop patient lounges on Stations 30, 40, 41, 50, 55	15,000	Project complete
	Remodel Station 12 tub room	1,000	Project complete
	Install intercom on Station 35 and 55	4,500	Project under review
	Station 44 electrical upgrade	10,000	Project under review
	Install intercom in Masonic Hospital	-	Project under review
	Develop nourishment centers on Masonic Stations I, II, III	27,500	Project under review
Nutrition	Remodel Mayo Lobby & Coffee Shop as required by fire Life Safety code	50,000	Design in process
	Repair walls in dishwashing room in Mayo	10,400	Project under review
Outpatient Department	Develop space for an Endoscopy suite in Phillips/Wangensteen Bldg	8,500	Design complete
	Install water closet in Employee Health Service	2,000	Design complete/ project under review
	Modify main desk area in Employee Health Service	1,000	Project under review
	Remove partition in Emergency Room	1,500	Project cancelled by department
	Install oxygen and vacuum in Eye Clinic Treatment Room	1,500	Project complete
	Improve ventilation in the Light Treatment boxes in ENT Clinic	3,400	Design complete
	Install call lights in ER as required by code	1,500	Project in process
	Install new Emergency Room street sign	1,800	Project complete

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Outpatient Department (Cont'd)	Remodel Emergency Room main office	\$ 5,500	Project in process
	Develop a faraday cage for clinical procedures in ENT Clinic	10,000	Project in construction
	Install tempered glass in all doors to treatment rooms	6,000	Project complete
Patient Accounting	Modify building services to 3 offices in Patient Accounting	3,400	Project complete
Patient Monitoring	Develop a new space for computer Patient Monitoring offices and work room	20,000	Project complete
Pharmacy	Remodel Central Pharmacy	69,700	Project under construction
	Develop Satellite Pharmacy on 5th floor of Mayo	8,000	Project complete
	Develop Satellite Pharmacy on 3rd floor of VCHH	7,000	Project in construction
	Develop Satellite Pharmacy on 4th Floor of Mayo	10,000	Project under review
	Develop Drug Information Center in Diehl Hall	5,000	Project under review
Physical Medicine & Rehabilitation	Remodel various rooms for PM&R treatment in Mayo, CHRC and Masonic	13,500	Project complete
Psychiatry	Remodel Child Psych, Station 64	23,000	Project in process
	Install cabinets in Clinical Psych	650	Project complete
Radiology - Diagnostic	Remodel various rooms for treatment in Mayo & VCHH	163,000	Project in process
	Miscellaneous modifications to treatment rooms and offices in Mayo	4,200	Project under review
Radiology - Therapeutic	Modify ventilation for Therapeutic Radiology Computer room	3,100	Project in process

CURRENT HOSPITAL REMODELING/RENOVATIONPROJECTS

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>BUDGETED AMOUNT</u>	<u>STATUS</u>
Radiology - Therapeutic (Cont'd)	Develop new offices for Therapeutic Radiology in Phillips/Wangensteen Bldg.	\$ 25,000	Design in process
Volunteer Services	Remodel Volunteers Office in Mayo	1,500	Project complet.

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: November 19, 1980

Present: Mr. Atwood, Chairman
Mr. Bienias
Mr. Westerman
Ms. Sandberg
Dr. Buckley
Dr. Winchell
Dean Weaver
Mr. Dickler

Absent: Ms. Givens
Dr. Eisenberg
Ms. Perlmutter
Mr. Hewitt
Mr. France

Guests: Mr. Allison
Ms. Foley
Mr. Baldwin
Mr. Diehl

Mr. Atwood convened the Planning and Development Committee at approximately 12:00 and requested a motion to approve the minutes of the October 15, 1980 meeting. The Committee moved and approved the minutes of the October meeting without modification.

Mr. Atwood then initiated the discussion on the Certificate of Need process for the University Hospital Renewal Project by commenting on the meetings which had been held over the past several weeks and the involvement of members of the Planning and Development Committee in formulating positions on tentative Health Board staff recommendations. He thanked the members of the Committee for participating in those discussions and asked Mr. Dickler to update the Committee on the most recent developments.

Mr. Dickler noted that the Project Review Committee had completed its deliberations and had recommended to the Metropolitan Health Board approval of the University Hospital Renewal Project with certain minor modifications. Those recommendations were distributed to the Committee and it was noted that the most objectionable recommendations relating to Psychiatry and Operating Rooms had been deleted by the committee during their deliberations.

The public hearing, which would be held that evening, would be followed by an Executive session of the Health Board at which time they would take a final vote on the Hospital Renewal Project and make their recommendation to the Metropolitan Council. The University opening comments had been developed and would be provided by President Magrath, Regent Unger, Mr. Hanser, Mr. Westerman, and Ms. Ahlgren. It was anticipated that there would be a limited amount of opposition and that some comments would be provided by the Citizen's League.

The Committee then discussed the Certificate of Need process after final Health Board action and reviewed the schedule which would have the Metropolitan Council Human Resources Committee review the project on November 24, Metropolitan Council review and action on December 4, and Commissioner of Health action upon the project prior to mid-January, 1981. It was generally agreed by the Committee that a favorable action by the Health Board would probably result in minimal controversy regarding the project for the remainder of the Certificate of Need review.

Mr. Atwood then reminded the Committee that they had asked several months ago that staff develop a preliminary list of possible deducts from the project to deal with both potential modifications during the Certificate of Need process as well as possible shortfalls during the construction process. Mr. Atwood also reminded the Committee that it was not their intent to take any action on these items at this time but rather to assure themselves and the Board that such actions could be taken if necessary when circumstances might dictate major adjustments to the project. Mr. Atwood then asked Mr. Dickler to review the memorandum developed by staff relating to the possible modifications to the project which could be exercised over the coming five to seven year period.

Mr. Dickler reviewed the attached memorandum and noted that the list concentrated on building systems and remodeling. It was noted, however, that deduct alternatives would be included in all new construction aspects of the project to assure the ability to comply with the tentative budget allocations which the Committee was operating under. The Committee reviewed the list briefly and agreed that some internal review of the list should occur but that no further delineation of these options should be pursued nor should these options be broadly discussed within the institution or externally.

In relationship to the overall project budget Mr. Atwood and Mr. Dickler noted that the \$6,000,000 line item which had initially been provided for a contribution to an expansion of the University heating plant would no longer be necessary and that this sum of money, while remaining in the budget, was now available for reduction of overall project cost or for utilization to offset possible modifications to the project or escalations in costs at future dates. It was also noted in the Committee that meetings were being held with staff from the Commissioner of Finance's office as well as the Senate and House committees regarding the proposed legislation and bond agreements for the Renewal Project and that University representatives would be briefly discussing the Renewal Project with the Governor's Executive Budget Committee the following day.

Mr. Atwood then called upon Mr. Westerman to provide the Committee with a report on the Hospital Planning Steering Committee activities. Mr. Westerman reported to the Planning and Development Committee that the Hospital Planning Steering Committee had devoted most of its energies over the past month to a review and discussion of the strategic action plan. Mr. Atwood noted that this action plan had been discussed by the Board's Executive Committee the previous day and would be discussed in general later that day at the full Board meeting.

Finally, Mr. Atwood asked Mr. Dickler to update the Committee on hotel/motel development. Mr. Dickler noted that the University Board of Regents had reviewed the consultants proposal and the development of both economy and first-class facilities on the University campus at their Physical Plant and Investment Committee the previous Thursday. This would be reviewed one more time by the Regents and it was anticipated that requests for proposals would be sent out to appropriate firms by early 1981. It was stressed that there is no assurance at this time that any actual development will occur but that the potential of such development seems to be greater than it has during any of the explorations which have occurred in the past.

Prior to adjournment the Committee did discuss the possibility of developing a no strike/no lockout clause for the Renewal Project. Mr. Bienias stressed that there were both advantages and disadvantages to such agreements and the Committee concurred that it should be pursued. Mr. Dickler noted that this question had been discussed on several occasions within the University and that the construction management firm was developing an initial document identifying both the advantages and disadvantages. In terms of final decision making process in relationship to a no strike/no lockout clause it was noted that this would be a University responsibility but that input from the Board of Governors Planning and Development Committee as well as potential involvement of appropriate members of the Board of Governors would certainly be pursued.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:00.

Respectfully submitted,



Robert M. Dickler

RMD/kc



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: Board of Governors Planning and Development Committee
FROM: Robert Dickler
SUBJECT: Renewal Project Budget Reduction Options
DATE: November 18, 1980

During the August and September, 1980 Board of Governors Planning and Development and Finance Committee meetings the Board of Governors discussed the potential ramifications of "worse-case" admissions and patient day projections on the Renewal Project. At the conclusion of those discussions the Planning and Development Committee directed staff to prepare a preliminary list of potential deductions from the Project if the "worse-case" projections were viewed to be imminent at a later date.

The enclosed list of budget reduction options has been prepared by hospital and consultant staff for the committee's review and information. None of these options are being recommended by staff and, in fact, a decision to implement any of these options would negatively effect the approved project program, future program activities, and/or future operating costs. The specific disadvantages related to any option can be addressed in detail at the Board's request.

In reviewing these options the Committee will notice that no options are presented which would reduce the absolute scope of new construction. The limitation of the option list to renovation and building systems is a reflection of the future orientation of this study and the difficulty of modifying the design activity now being completed for new construction without negatively effecting the overall project schedule.

Finally, in reviewing these options, the committee should be aware of the following additional qualifications and limitations:

- 1) All cost estimates are preliminary and do not include non-building costs. A delineation of precise budgetary ramifications will require further study and reviews of design activity.
- 2) Certain options, such as reducing or eliminating educational space, may require additional modifications to departmental programs for internal support, educational, and conference space.

November 18, 1980

- 3) Many options incorporate part of other options. The options listed should therefore not be viewed as additive.
- 4) Certain potential options, such as elimination of future expansion capabilities, are not quantifiable at this time.

We will be reviewing this material with appropriate internal groups in the near future. We look forward to discussing this information with the committee.

BD/kc

enclosure

University Hospitals and Clinics Renewal Project
Budget Reduction Options

I. Building Systems	<u>Potential Reduction</u>
A. Eliminate Pneumatic Tube System	\$1,550,000
B. Eliminate Material Transport System	\$1,108,000
C. Eliminate Six Elevators - leave empty shaft space	\$1,018,000
D. Simplify Building Automation System	\$1,500,000
E. Eliminate Any New Air Conditioning in Mayo	\$3,000,000
F. Eliminate Expansion Capabilities for All Systems	Not quantifiable at this time
G. Reduce Equipment and Furnishing Budgets by X%	Not quantifiable at this time
 II. Renovation	
A. Eliminate or Reduce Education Department Space	
1) Eliminate	\$1,700,000
2) Reduce by 50%	\$ 850,000
B. PM & R	
1) Leave treatment area on seventh floor with no (minimal) remodeling	\$1,977,000
2) Leave treatment area on seventh floor with no (minimal) remodeling but remodel sixth floor for additional space requirements	\$1,046,000
3) Remodel sixth and seventh floor for PM & R treatment area	\$0
4) Eliminate Rehabilitation Day Program area	\$ 340,000
C. Psychiatry	
1) Leave Psychiatry in present location with no (minimal) remodeling	\$5,061,000
2) Remodel present Psychiatry areas but no additional space	\$2,591,000
3) Remodel same space on Mayo sixth floor as Variety Club	\$0
4) Same as "3" but start in January '82 and disrupt department activities	\$1,230,000
D. Eliminate Clinical Research Center Remodeling	\$1,200,000
E. Eliminate Day Care space in Mayo	\$19,000

	<u>Potential Reduction</u>
F. Move Cystoscopy into vacated Mayo O.R. area with no (minimal) remodeling	\$1,184,000
G. Eliminate Pharmacy Remodeling	\$1,460,000
H. Leave Cytology and Histology in Owre, reduce Surgical and Anatomical Pathology space by 50%, remodel space	\$329,000
I. Eliminate all first floor Mayo remodeling except Autopsy	\$3,728,000
J. Eliminate new link to Variety from Mayo	\$580,000
K. Eliminate all above grade links except Mayo to Unit J (fifth floor)	\$1,924,000
L. Eliminate fifth floor Unit J to Masonic link	\$350,000
M. Eliminate new Masonic elevators and upgrade existing elevators	\$752,000
N. Eliminate second Dialysis Unit	\$200,000 - 780,000
O. Eliminate Mayo lab remodeling	\$2,345,000

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: September 17, 1980

Present: Mr. Atwood, Chairman
Mr. France
Mr. Bienias
Dr. Buckley
Mr. Hewitt
Ms. Sandberg
Ms. Givens
Mr. Westerman
Mr. Dickler

Absent: Dr. Eisenberg
Ms. Perlmutter
Dr. Winchell
Dean Weaver

Guests: Mr. Cannamore
Mr. Werft
Ms. Foley

Mr. Atwood called the Planning and Development Committee to order at approximately 9:30 a.m. Mr. Atwood initiated the meeting by apologizing for any inconvenience that the change in meeting time may have caused. He stated that the alteration was necessary due to the scheduling of Certificate of Need hearings with the Metropolitan Health Board. Mr. Atwood noted that the Planning and Development Committee would be meeting at the same time in October and that it would potentially meet at 9:30 a.m. in November as well depending upon the progress of the meetings with the Metropolitan Health Board.

Mr. Atwood then asked for any comment on the minutes of the August 20, 1980 meeting. There being no comments it was moved and approved unanimously by the Planning and Development Committee that the minutes be adopted.

Mr. Atwood then asked Mr. Dickler to provide the Committee with an update regarding the University Hospital Renewal Project. Mr. Dickler reported to the Committee on briefing sessions held with Mt. Sinai Hospital, Minneapolis Children's Hospital, United Hospitals, the Grand Forks HSA, and the Crookston health care community. It was noted that all of these meetings had been useful and beneficial and that the meeting

with the Grand Forks HSA produced some of the most sophisticated questions of all of the HSA briefings. It was also noted that a potential meeting with the Red Wing Kiwanis Club is being scheduled through Regent Casey's office.

Mr. Atwood then reported to the Committee on the Citizens League breakfast the previous morning at which time Mr. Westerman provided an overview of the University Hospital Renewal Project and responded to a variety of questions. In general Mr. Atwood reported that the Citizens League breakfast had gone very well but that a question had been raised by one participant regarding the possibility of preserving the Powell Hall facility due to its historic importance to a large number of former nursing students. The Committee discussed at some length the possibility of preserving portions of the Powell Hall facility and incorporating them into the University Hospital Renewal Project. Mr. Cannamore and Mr. Dickler agreed to pursue this but it was also suggested that a more appropriate setting for the continuation of the Powell Hall name and history would be in conjunction with Unit F since Powell Hall had been primarily a nursing school facility.

Mr. Dickler and Mr. Atwood then reported on the meeting held with the House Appropriations Committee/Education Subdivision on the University Hospital Renewal Project. They reported that the meeting was well-attended and that the discussion focused primarily on alternative methods and schemas for financing the University Hospital Renewal Project. In general it was their feeling that it was a good initial session and had identified a number of the issues which would have to be addressed during the forthcoming legislative session. It was also noted that all of the members in attendance stayed through the duration of the tour even though it lasted beyond the scheduled hour. Finally, in reference to the Renewal Project update, Mr. Dickler reported that investigations to determine a "worse case" scenario had been pursued in light of the discussions at the Finance and Planning and Development Committee during August. The financial analysis has now indicated that if the patient day projections drop to 189,000 that the Renewal Project would have to be curtailed by approximately \$15,000,000 or additional rate increases or borrowing incurred. Mr. Dickler reported that the internal planning team is now pursuing the identification of options which might be available to reduce the scope of the Renewal Project by \$15,000,000 as well as the consequences of exercising such options. It is anticipated at the current time that this option list will be available no later than the November meeting of the Planning and Development Committee and may be available in time for the October meeting.

The Committee did discuss at length the implications of developing option lists for the Hospital Renewal Project and the potential mis-interpretation by external parties of the necessity of items identified within the option list for completion within the Renewal Project. It was agreed by all parties that certain risks are entailed in pursuing such an option list but that prudent management and governance requires this effort. It was also agreed that an essential part of any option

list is an identification of the consequences to demonstrate that the project, in its current magnitude, cannot be modified without impact on the fulfillment of the total program for the Renewal Project or negatively impacting certain departments growth and activity.

Mr. Atwood then asked that Mr. Dickler review the Certificate of Need process for the University Hospital Renewal Project. It was reported that the initial meeting had been held with Project Review Committee B of the Metropolitan Health Board on the previous Wednesday and that an additional meeting was scheduled for later in the day. These initial meetings are being primarily devoted to a series of formal presentations by University representatives to provide the Project Review Committee with background and overview information on the University Hospital Renewal Project. The initial meeting included presentations by President Magrath, Vice President French, Mr. Hanser, and Mr. Westerman. The September 17 meeting will include presentations by Ms. Tebbitt, Ms. Ahlgren, and Mr. Dickler.

The Committee was advised that the current schedule of the Metropolitan Health Board has the Health Board's recommendation being considered by the Metropolitan Council on December 4 which indicates that a public hearing on the Renewal Project would be held in mid-November. It is anticipated that the Project Review Committee meetings will last at least through October and it is hoped that the Project Review Committee and its staff will be developing specific issues and discussion papers to focus future meetings around.

Following this discussion regarding the Certificate of Need process Mr. Dickler reviewed with the Committee the project schedule and the completed schematic design documents. The Committee reviewed cross sections of the project as well as a perspective view and discussed the current cost estimate for the project which continues to be around \$233 million dollars. The Committee did suggest that investigations be undertaken to upgrade Harvard Street so that the location of the Hospital's main entrance on Harvard Street will not cause undue traffic congestion at a later date. Mr. Hewitt agreed to pursue this as part of the overall University traffic studies.

Mr. Atwood then called upon Mr. Werft to provide a report on the activities of the Hospital Planning Steering Committee. Mr. Werft explained that the Hospital Planning Steering Committee is an internal Hospital group which coordinates a variety of planning activities which would be of interest to the Planning and Development Committee. Currently the committee is discussing the investigation of potential arrangements with Fairview Hospital Corporation and Health Central Corporation. In addition, the committee is also discussing the progress of the University Hospital Consortium and its various studies and diagnostic related groups and their potential impact on Hospital reimbursement. Finally, Mr. Werft reported that the committee is also pursuing a variety of HMO contractual relationships with the Physicians Health Plan, HMO Minnesota, and other health maintenance organizations.

September 17, 1980

Mr. Atwood asked if Mr. Westerman had any comments or updates he'd like to provide the Committee. Mr. Westerman only commented that the overall strategy developed by the Board of Governors for a Certificate of Need seems to be working and that we have not yet received the types of questions which arose during the B/C Certificate of Need process regarding the role of University Hospitals in activities other than tertiary care.

There being no further business before the Planning and Development Committee it adjourned at approximately 11:00 a.m.

Respectfully submitted,


Robert M. Dickler

RMD/kc

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: August 20, 1980

Present: Mr. Atwood, Chairman
Mr. Bienias
Dr. Buckley
Dr. Winchell
Ms. Givens
Mr. Westerman
Mr. France
Ms. Sandberg
Mr. Dickler

Absent: Dr. Eisenberg
Ms. Perlmutter
Mr. Hewitt
Dean Weaver

Guests: Mr. Werft
Dr. Waite
Dr. Holland
Dean Oliver
Dr. Tiede
Ms. Foley
Mr. Domaas
Mr. Hart

Mr. Atwood called the Planning and Development Committee to order at approximately 12:00 and asked for a motion to approve the minutes of the June Planning and Development Committee. The motion was made and seconded and approved unanimously by the members of the Committee.

Mr. Atwood then recognized the guests who were present at the meeting including Dean Oliver, Dr. Holland and Dr. Waite from the School of Dentistry, Dr. Tiede and Mr. Domaas from the Board of Governors and Dr. Kennedy from the Department of Medicine and the Masonic Memorial Oncology Center.

Mr. Atwood then asked Mr. Dickler to provide the Committee with an update on the Renewal Project. Mr. Dickler reported that four meetings had been held with outstate HSAs regarding the Renewal Project and that the reception had been positive at all of these meetings. He also noted that a letter of support for the Renewal Project would be forthcoming from the Duluth HSA. A final HSA meeting would be held in Grand Forks on the following day, and Ms. Pillsbury would be representing the Board of Governors at that meeting.

Mr. Dickler then noted that the schematic phase of planning had been completed and that schematic plans had been submitted along with outline specifications for the Renewal Project. In addition, a new cost estimate based on schematic design had been developed by Gilbane-Mortenson and continued to indicate that the project would cost approximately \$233 million dollars. It was also noted that a meeting would be held with the Education Division of the House Appropriations Committee to discuss the Renewal Project on August 27 and that the Certificate of Need should be submitted by this Friday, August 22 if approval was received from the Planning and Development Committee and the full Board of Governors at today's meetings.

Mr. Atwood then briefly reviewed the discussion which occurred at the Finance Committee earlier that morning regarding the Renewal Project. Mr. Atwood noted that the Finance Committee recognized that the ability of the Hospital to finance the Renewal Project was dependent upon a large number of assumptions which had been made in the financial feasibility studies undertaken by Ernst & Whinney and Dain Bosworth. While it was the Finance Committee's feeling that it would be appropriate to continue with the Certificate of Need process, they also felt that a worse case scenario should be studied in terms of both financing and its impact upon the scope of the Renewal Project. It was also the Finance Committee's intent to investigate the possibilities of private philanthropy or state appropriations which might be able to offset certain financial shortcomings which could result from adverse operational impacts over the coming years.

Mr. Atwood then called upon Mr. Werft to review the Certificate of Need application with the Planning and Development Committee. Mr. Werft briefly reviewed the Certificate of Need application and highlighted sections which had not been submitted to the Board of Governors prior to the meeting. Mr. Werft then outlined the review process which would be undertaken by the Metropolitan Health Board and noted that some comments regarding specific corrections that were required within the Certificate of Need had already been received from Mr. Atwood.

The Committee then discussed the Certificate of Need application and identified several other corrections which would be appropriate prior to its submittal to the Metropolitan Health Board. Following this discussion it was moved and seconded that the Planning and Development Committee recommend to the Board of Governors that the Certificate of Need application be submitted to the Metropolitan Health Board with

the minor corrections noted prior to and during the course of the meeting. This motion was unanimously approved by the Planning and Development Committee.

The Planning and Development Committee then undertook a review of the Certificate of Need application for the Masonic Oncology and Hospital Dentistry Clinic projects. Mr. Hart was called upon by Mr. Atwood to briefly review both of these projects.

Mr. Hart introduced the Hospital Dentistry Clinic by noting that the relocation of that clinic to the Phillips-Wangensteen Building had been an integral part of the initial plans for that facility. The proposal before the Board of Governors was a modification of the initial plan and would be limited to construction in the overpass portion of the facility on the seventh floor. He noted that the present facility is grossly inadequate and that the new facility would be a joint project between the School of Dentistry and the Hospital to accommodate the Hospital Dentistry Clinic, the General Practice Residency Program, and the Intramural Practice Program of the School of Dentistry.

Dean Oliver then commented on the project and its importance to the School of Dentistry and their commitment to finance half of the capital cost and to work with the Hospital in assuring that the clinic is viable on an ongoing basis. Dean Oliver explained the Intramural Practice Program of the School of Dentistry as well as the role of Dentistry in Hospital practice and the importance of that program for their residency program as well as the service programs of University Hospitals. Mr. Domaas then discussed the student support for this project and its importance to the ongoing training of dentistry students. Finally, in response to a question regarding what will happen to the existing Hospital Dentistry space, Mr. Dickler noted that it would be utilized by the School of Public Health to accommodate their overall space requirements. Following this discussion the Planning and Development Committee unanimously approved the Hospital Dentistry Clinic Program for submission to the Metropolitan Health Board.


Mr. Hart then briefly reviewed the Masonic Oncology Clinic and its present status within the basement of the Masonic Memorial Cancer Center and the plan to relocate it to the fifth floor of the Phillips-Wangensteen Building with an overpass to the Masonic Center. It was noted that this clinic was expanded rapidly over the past several years, and its present location was not adequate for the existing population or the accommodation of continued increases in clinic population over the coming years. Finally, Mr. Hart also noted that the Masons would be financing the total cost of the project, including the overpass, which is estimated to be approximately \$800,000.

Dr. Kennedy then briefly amplified on Mr. Hart's remarks and noted the evolution of outpatient treatment for cancer patients and the change in the Masonic Cancer Center from a facility to serve terminally ill patients to an ongoing treatment center. He also discussed the

ongoing role of the Masons of Minnesota and their continued support for the Oncology Program in the Masonic Cancer Center. Following this presentation and discussion it was unanimously moved and approved by the Planning and Development Committee that the Certificate of Need proposal for the Masonic Oncology Clinic be submitted to the Metropolitan Health Board.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:15.

Respectfully submitted,



Robert M. Dickler

RMD/kc

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: May 21, 1980

Present: Mr. Atwood
Ms. Sandberg
Dr. Winchell
Mr. Westerman
Mr. Dickler

Absent: Mrs. Givens
Dr. Eisenberg
Mr. Hewitt
Mr. France
Dean Weaver
Mr. Bienias

Guests: Mr. Herman
Mr. Herrick
Ms. Foley
Mr. Waugh
Ms. Ahlgren

Chairman Atwood called the meeting to order at approximately 12:00 p.m. and noted that Dr. Resch had resigned as a member of the Planning and Development Committee. Chairman Atwood also noted that Dr. Najarian had nominated Dr. Joseph Buckley, Professor and Head of the Department of Anesthesiology, to take Dr. Resch's place, and it was anticipated that Dr. Buckley would join the Committee at their June meeting. Chairman Atwood then asked for a motion to approve the minutes of the April 16, 1980 meeting, and without discussion the minutes were moved and approved. Chairman Atwood then asked Mr. Dickler to provide the Committee with an update regarding both the external and internal developments relating to the Renewal Project.

Mr. Dickler began his remarks by reviewing a number of activities which had been occurring within the external community. It was noted that the Metropolitan Health Board had completed its A95 review of the Veterans Administration Medical Center proposal and that their recommendations included the possible consolidation of Renal Transplantation and Radiation Therapy activities at the University Hospital. In response to this recommendation a preliminary meeting has taken place between the University and Veterans Administration representatives, and various aspects of those consolidation recommendations are currently being investigated.

Mr. Dickler then commented that a meeting would occur on June 24 with representatives from the Metropolitan Health Board to discuss the Hospital's Long Range Plan and more specifically the specialty service areas of Neonatal Intensive Care, Obstetric Services, Radiation Therapy, and Open Heart Surgery. This meeting with Health Board representatives is part of the overall Health Board consideration of specialty areas within the Metropolitan area, and it is anticipated that further meetings will occur with this group in relationship to Psychiatry and various issues emanating from the University Hospital Renewal Project.

Mr. Dickler then discussed a number of meetings which are being scheduled with representatives from the metropolitan area to brief them on the Renewal Project. It is anticipated that further meetings will occur with outstate planning agencies, media, and business representatives in middle or late summer. Finally, it was also noted that meetings with the metropolitan business community will probably be scheduled in middle or late June of this year to also provide them background information regarding the Renewal Project.

Mr. Dickler then discussed several aspects of the internal planning process for the University Hospital Renewal Project. The first item covered was the most recent meetings of the Executive Coordinating Committee at which several decisions were made regarding bed configurations and cost caps for the Renewal Project. In reference to bed configuration Mr. Dickler discussed the trend projections resulting from the strategic options study and the determination by the Executive Coordinating Committee that the trend line B should be considered the maximum planning guideline for bed configurations and that trend line C should be considered the minimum trend line for planning bed configurations. These parameters determine that the Renewal Project should contain the ability to accommodate a flexible number of beds which has resulted in bed modules which have a capacity range of 25 to 30 beds depending on the utilization of certain rooms as either single or double accommodations. It was noted that this approach had been discussed preliminarily with Metropolitan Health Board staff since it was an atypical approach to the development of bed configurations for major capital projects. Preliminary reaction of Metropolitan Health Board staff indicated interest in the concept but a feeling that further information and discussion would be required prior to any recommendations by staff to the Metropolitan Health Board.

The Executive Coordinating Committee had also determined that the Renewal Project should be limited to an expenditure of \$222 million dollars at the inflation rates utilized for cost projections in January of 1980. It was noted that the inflation rates have been increased since January, 1980 to reflect the overall change within the economy and that current cost estimates indicated that the Renewal Project would cost \$225.5 million dollars at January inflation rates and \$232.5 million dollars at March inflation rates.

Mr. Dickler then explained that while the \$225.5 million dollar figure exceeded the cost limitation by three and one-half million dollars that no cost cutting mechanisms were presently being implemented to reduce the scope or components of the project. Rather, it might be more appropriate to quantify the cost estimates that result from the schematic design process to determine whether a problem actually

exists in relationship to the cost of the Renewal Project and if so, to take action at that time on an overall basis to affect whatever reductions are necessary. Several members of the Planning and Development Committee expressed concern regarding these cost limitations and also noted that the trend projections utilized may still be optimistic looking to the future. It was noted that if dramatic reductions were experienced in relationship to the inpatient population of University Hospitals that certain components of the existing complex such as Masonic Hospital could be reduced in size or totally closed to make the necessary adjustments.

The Planning and Development Committee then reviewed the preliminary block schematics developed by the design team on which the most recent cost estimates are based. Mr. Dickler noted that the conceptual layout of the new construction portion of the Renewal Project had changed substantially since master zoning due to a combination of more refined programming, more indepth architectural studies, and the need to develop some uniformity in the perimeter of the building and relationships between floors. The Committee then reviewed the proposed new construction block schematics on a floor by floor basis and asked a number of questions in relationship to those plans.

In response to a question from Mr. Atwood it was noted that approval from the Committee was not being sought at the present time and that the block schematics would be presented again at the June meeting along with block schematics of the proposed remodeling portions of the project. It was also hoped that, if appropriate, full Board review should occur in June so that presentation of this material could be accommodated at the July Board of Regents meeting.

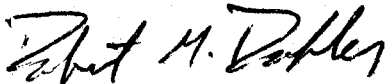
Mr. Atwood then asked Mr. Westerman to comment upon the 1980/81 capital budget and its relationship to the overall budgetary reduction activities occurring within the Hospital. Mr. Westerman reviewed the activities which had occurred since the last Board of Governors meeting and noted that a number of alternative strategies had been developed to deal with the disparity between revenue and expense within the present budget. The analysis during the past month had determined that it would be inadvisable to reduce the capital budget at this time and to transfer the cost of the capital items to the 1981/82 budget. He did note, however, that reductions in the 1980/81 capital budget might be necessary if other cost reduction and revenue production recommendations were not totally successful in balancing the budget of the Hospital.

Finally, Chairman Atwood called upon Mr. William Herrick to review the Operations and Analysis Department long-range plan and the information system planning which had occurred within the Hospital over the past ten years. Mr. Herrick reviewed the materials which had been previously distributed to the Board of Governors and commented that the acquisition of additional computer equipment was tied to the continuing expansion of information systems with the Hospital on a planned basis.

In response to questions Mr. Herrick stated that the new equipment would be purchased rather than leased and that purchase of the equipment resulted from a determination that the new equipment configuration had a useful life of from seven to ten years. Several Committee members expressed interest in the calculations which led to a purchase rather than lease option, and it was agreed that this would be presented at a future Committee meeting.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:20 p.m.

Respectfully submitted,



Robert M. Dickler

RMD/kc



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

May 6, 1980

To: Planning and Development Committee
From: Robert Dickler *RD*
Subject: Information System Long Range Plan

To follow-up on the discussion at last month's meeting on the proposed computer hardware upgrade, there will be a report at the May 21, 1980 meeting on the Hospital's computerized Information System development. The following attachments are enclosed for your review prior to the next meeting:

- Attachment I - System Growth 1970-74
- Attachment II - Over View Chart I
- Attachment III - System Growth 1970-80
- Attachment IV - Hardware Upgrades
- Attachment V - On-Line Activity
- Attachment VI - UMHC Information System Goal Statement

Please contact me if you have questions about this information prior to the meeting.

RD/GS

SYSTEM GROWTH

	<u>On-Line</u>	<u>Computer System</u>
1970 - Patient Accounting Accounts Receivable Medical Records		2500
1971 - Payroll Manhour Reporting		
1972 - Outpatient Appointment Reporting Outpatient Census Reporting Hospital Telephone Directory Accounts Receivable Rewrite		
1973 - Doctor Master Financial Reporting Outpatient Pharmacy *		3500
1974 - Inpatient Appointments		

OVER VIEW

CHART I

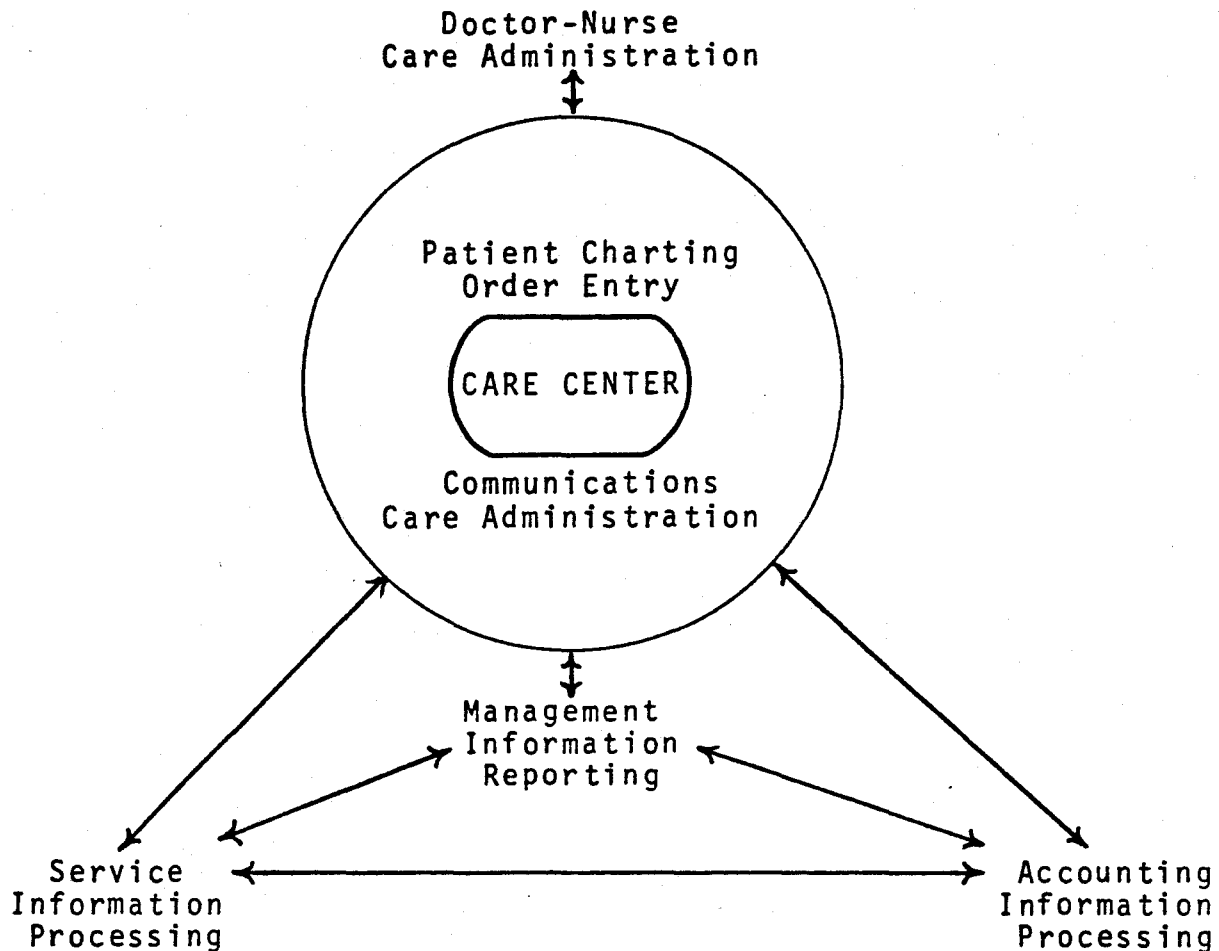
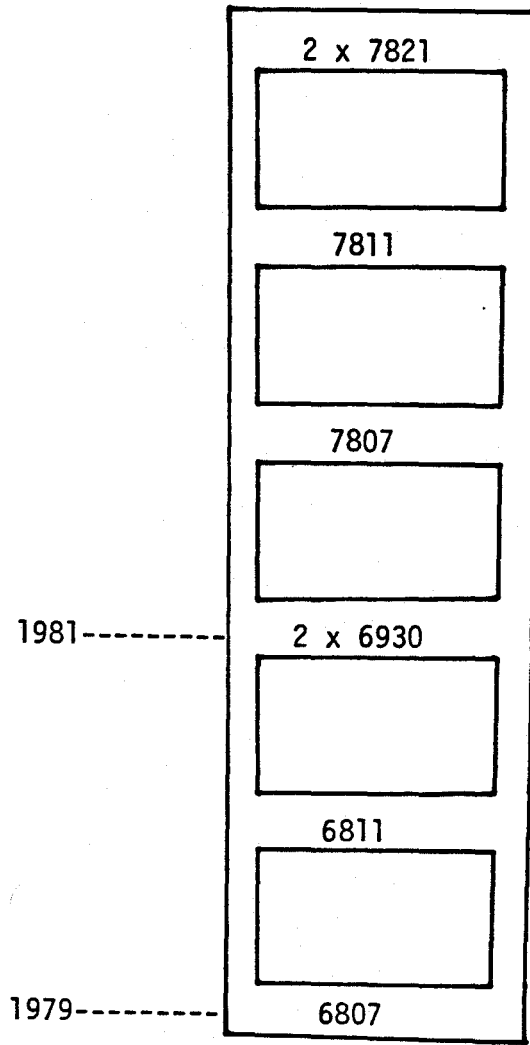
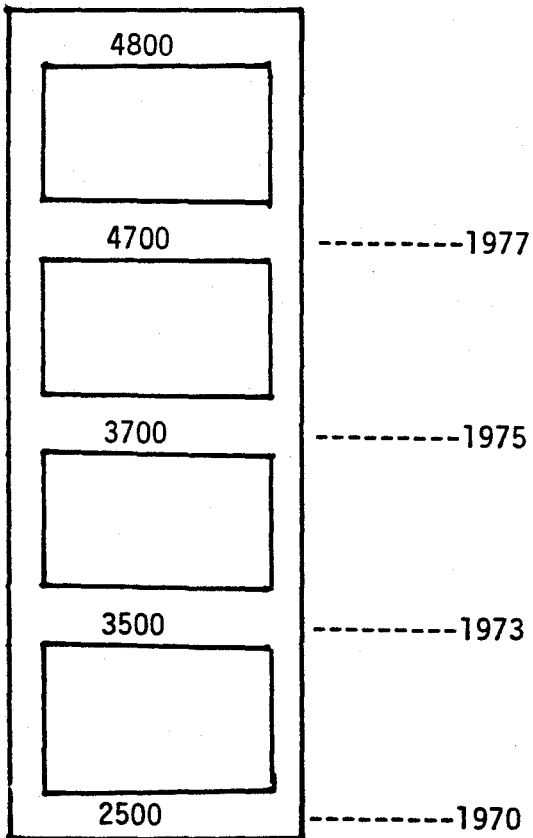


Chart I describes a complete hospital communications and information system. All major activity is centered around the Care Center (nursing station, clinic, etc.) where doctors, nurses, and para-medical personnel will have automated access to the patients chart, patients results, care administration instructions, and care planning tools. In addition order entry and communications will be entered at the Care Center and automatically communicated to the proper service area and the patient billing-accounting functions. Once services or procedures are complete, results will be automatically communicated to the Care Center. A management information reporting system will be integrated with the Care Center, service, and accounting modules so that day to day management information will be available on a continuing basis.

SYSTEM GROWTH

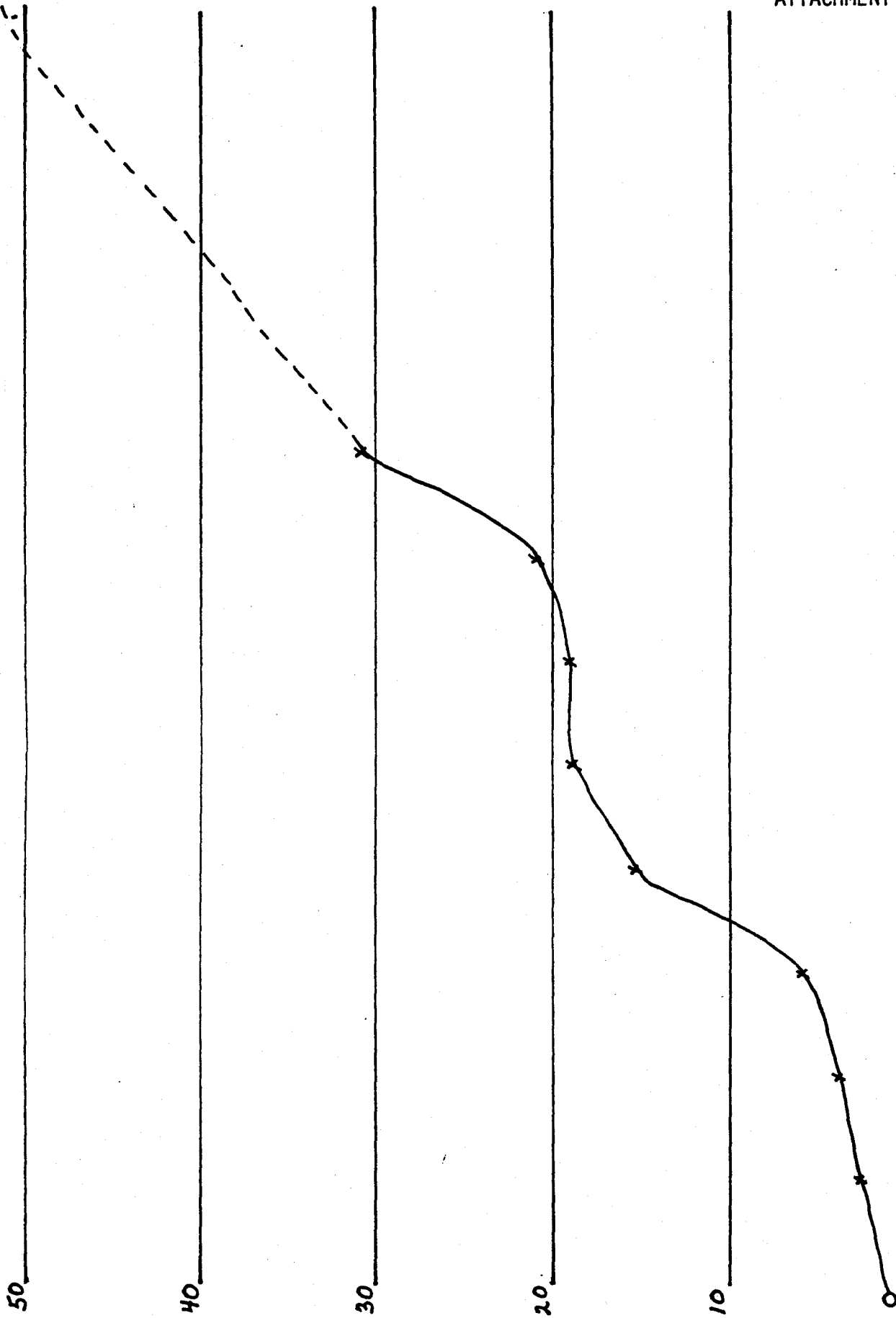
	<u>On-Line</u>	<u>Computer System</u>
1970 - Patient Accounting Accounts Receivable Medical Records		2500
1971 - Payroll Manhour Reporting		
1972 - Outpatient Appointment Reporting Outpatient Census Reporting Hospital Telephone Directory Accounts Receivable Rewrite		
1973 - Doctor Master Financial Reporting Outpatient Pharmacy *		3500
Pharmacy Formulary Pharmacy Reporting Property Management Data Communications System		
1974 - Inpatient Appointments Nurse Utilization *		
Patient Location Project Control		
1975 - Length of Stay Reporting Patient Billing Revision. *		3700
Operating Room Info System Patient Index *		
1976 - Capital Expenditures Active Patient Files Inpatient Pharmacy. *		
Revised Pharmacy Reporting Radiology Registration & Charging. *		
1977 - Admission. *		4700
Medical Records Rewrite Outpatient Data Entry. *		
Third Party Logs Production Scheduling		
1978 - Conversion to Large System Data Communications System Data Base Management		
1979 - Medical Records Rewrite Physical Medicine and Rehabilitation. *		6800
Warehouse Distribution Center *		
Magnetic Media Library		
1980 - Respiratory Care *		
Radiology Rewrite *		
Interface to Laboratory System. *		

HARDWARE UPGRADES



1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984

ON-LINE ACTIVITY



UMHC INFORMATION SYSTEM GOAL STATEMENT

To implement administrative, financial, and clinical systems which will assist the University of Minnesota Hospitals and Clinics in maintaining its role as a major health care institution.

To implement systems in a cost effective manner utilizing state-of-the-art information management techniques.

- .Perform the enhancements or acquire the replacement modules to maximize the quality and effectiveness of existing departmental systems.
- .Provide improved management control and reporting capabilities for the Hospitals and Clinics.
- .Develop or acquire responsive systems to support additional functional areas or application needs of the Hospitals and Clinics.
- .Develop or acquire systems which support the information needs of the Care Center and ancillary departments.

MINUTES OF THE
BOARD OF GOVERNORS
PLANNING AND DEVELOPMENT COMMITTEE

Meeting: Wednesday, March 19, 1980

Present: Mr. Atwood, Chairman
Mr. Bienias
Ms. Sandberg
Ms. Givens
Mr. France
Dr. Winchell
Mr. Hewitt
Mr. Westerman
Mr. Dickler

Absent: Ms. Vann
Dr. Tiede
Dr. Eisenberg
Ms. Perlmutter
Dr. Quie
Mr. Moline

Guests: Mr. Hanser
Ms. Foley
Mr. Moore
Mr. Werft
Ms. Ahlgren

The Planning and Development Committee was called to order by Chairman Atwood at approximately 12:00 and a motion was accepted and approved by the Committee to adopt the minutes of the February 20, 1980 meeting. Mr. Atwood then asked Mr. Dickler to provide the Committee with an update and report on the University Hospital Renewal Project.

Mr. Dickler initiated the Renewal Project update report by noting that meetings had been held with several groups during the previous month and asked Mr. Westerman to report upon a meeting with representatives from the State Medical Society, Hennepin County Medical Society, Ramsey County Medical Society, Minnesota Hospital Association, and Foundation for Health Care Evaluation.

Mr. Westerman reported that representatives from these organizations had formed an ad hoc group to discuss the proposed Veterans Administration project. The University representatives in attendance at this meeting included Dr. Thompson, Dr. Winchell, Ms. Ahlgren, Mr. Dickler, and Mr. Westerman. The University presentation during this meeting consisted of a review of the history of the Health Sciences Master Plan and the Hospital Renewal Project and a brief outline of the scope and intent

of the Renewal Project. Questions and concerns discussed with the ad hoc committee included the possibility of the VA relocating to the University campus, the possibility of the VA relocating to the University campus, the possibility of University Hospitals relocating to the Veterans Administration site, the participation of University Hospital Medical Staff in county and state medical society activities, and a general concern regarding the VA's participation in the local health planning process. Mr. Westerman noted that it was evident that this ad hoc committee was going to attempt to have each of their organizations take a firm stand in favor of the Veterans Administration participating, and being bound by, the local health planning review process. It was also noted that this group did not seem particularly opposed to the University project but felt that the University project was critical to having a substantive impact on the VA planning process.

Mr. Dickler then reported that a similar meeting had been held, in cooperation with the Council of Community Hospitals, with representatives from the metropolitan area hospitals. Present at this meeting were Mr. Westerman, Dr. Goltz, Mr. Hanser, and Mr. Dickler. The formal presentation at this meeting was very similar to that used with the ad hoc VA group mentioned above, but there were relatively few questions from the metropolitan area hospital representatives. Mr. Dickler and Mr. Westerman both noted that they could not detect during the meeting, or subsequent to the meeting, any organized opposition from the metropolitan area hospitals to the University project but also noted that only about one-third to one-half of the hospitals were represented at this meeting.

An additional meeting which occurred was before the Senate Finance Committee Subcommittee on Education on March 10, 1980. Present for this presentation were Dr. French, Mr. Kegler, Mr. Westerman, Mr. Fearing, and Mr. Dickler. The intent of this presentation was to review the University Hospital Renewal Project and to explain the proposed financing schema for utilization of state general obligation bonds. It was the impression of those present that, in general, the proposal was well received but that no specific action was or could be taken by the committee until a bill is generated within the House of Representatives. It was noted that the House had not scheduled a hearing at this time and that any definitive action regarding the bonding proposal was unlikely during the 1980 legislative session.

Mr. Atwood then reported on the Renewal Project update presented to the Board of Regents at their March 14, 1980 meeting. The bulk of this presentation and subsequent questions revolved around a review of the master zoning schema previously reviewed and endorsed by the Planning and Development Committee. Mr. Atwood reported that the Regents did not seem to have any major concerns which emanated from the master zoning proposal and that the majority of questions related to the community wide concerns regarding the Veterans Administration project and the discussions with the legislature for bonding authority. In general it was the feeling of the representatives from the University Hospitals that the Regents were comfortable with the plans and progress of the Renewal Project and were looking forward to further updates during the coming months.

Finally, the Committee heard reports regarding the compliance with the ongoing Renewal Project development schedule and a projection of future activities which would be occurring within the coming months. It was noted that the planning team anticipated that updated cost estimates and square footage projections would be available for Committee review during their April, 1980 meeting and that block schematics and initial certificate of need information should be available for the May, 1980 meeting.

The Committee then turned its attention to an initial review of the 1980/81 capital budget. Ms. Donna Ahlgren reviewed a preliminary compilation of that budget (see attached) and noted that the budget was within the general parameters approved previously for the long-range capital plan. Both equipment and remodeling requests were reviewed in some detail and the Committee was asked to review the proposed budget over the next several weeks and to forward any questions or comments they had to either Ms. Ahlgren or Mr. Dickler. It was noted that this item would be up for approval by the Committee and the Board during their April, 1980 meeting.

The Committee then briefly discussed the waiver proposal to the Metropolitan Health Board for computer equipment and facility remodeling. It was noted that the finalized waiver letter had not been submitted to the Metropolitan Health Board so that additional computer equipment needs, which had been previously identified within the long range capital plan, could be incorporated within the same waiver letter. A copy of the long range capital needs flow chart (see attached) was briefly discussed by the Committee, and Mr. Dickler reported that a finalized waiver letter and review schedule with the Metropolitan Health Board should be available for the April, 1980 meeting of the Board of Governors.

Mr. Atwood then noted that he would not be present at the full Board of Governors meeting and asked Ms. Givens to report on behalf of the Committee. There being no further business before the Committee it adjourned at approximately 1 p.m.

Respectfully submitted,


Robert M. Dickler

RMD/kc

attachments

UNIVERSITY OF MINNESOTA
HOSPITALS AND CLINICS

Proposed Annual Equipment
and Renovation Budget

Fiscal Year 1980-81

Submitted to Board of
Governors Planning &
Development Committee
March 20, 1980.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

March 20, 1980

TO: Planning and Development Committee, Board of Governors
Harvey Atwood, Chairman

FROM: Hospital Planning and Operating Staff

SUBJECT: Proposed Annual Equipment and Renovation Budget, Fiscal Year 1980-81

The proposed annual equipment and renovation budget has been prepared by hospital department heads and operating administrators for your review. This budget is consistent with the long range financial plan of University of Minnesota Hospitals which establishes objectives for equipment expenditures at \$3,200,000 and renovation expenditures at \$360,000 for fiscal year 1980-81.

The budget, as proposed, includes:

Equipment:	\$3,183,218
Renovation	383,575

Analysis of each component of the capital budget is provided on the attached pages.

attachments

SUMMARY OF CAPITAL EQUIPMENT BUDGET

Equipment Items of \$10,000 or more	\$ 1,410,799
Equipment Items of less than \$10,000	1,375,184
Certificate of Need Equipment Items	150,000
Equipment Associated with New Programs	97,235
Contingency - 1980-81 Fiscal Year	150,000
	<hr/>
TOTAL	\$ 3,183,218

The following attachments include:

- Attachment 1: Equipment Budget by Department
- Attachment 2: Equipment Requiring Certificate of Need
- Attachment 3: Equipment Items of \$10,000 or more
- Attachment 4: Summary of Approved New Programs

EQUIPMENT BUDGET BY DEPARTMENT

The equipment budget as allocated by hospital department is shown below. These totals include the Certificate of Need items.

<u>DEPARTMENT</u>	<u>EQUIPMENT BUDGET AMOUNT</u>
Administration	\$ 2,500
Anesthesiology	34,625
Bio-Medical Engineering	4,100
Building Systems	-
Chemical Dependency	7,850
Clinical Psychology	1,500
Computer Services	188,191
Environmental Services	24,750
Financial Accounting/Budget	690
Home Health	800
Labs	736,947
Maintenance/Operations	450
Materials Services	95,491
Medical Records	18,820
Nursing	136,230
Nutrition	4,690
Operating Room	194,675
Outpatient	84,836
Patient Accounting	9,872
Patient Monitoring	269,500
Patient Relations	-
Personnel/Payroll	3,800
Pharmacy	11,720
Psych	5,725
Psych (OPD)	3,450
Public Relations	1,745
Radiation Therapy	110,588
Radiology	821,148
Rehab	53,749
Respiratory Care	105,680
Rural Co-Op	700
Social Service	1,160
Volunteer Services	-
	<hr/>
TOTAL	\$ 2,935,983

EQUIPMENT REQUIRING CERTIFICATE OF NEED

One item requiring Certificate of Need approval is included in the 1980-81 equipment budget.

The Department of Diagnostic Radiology, Nuclear Medicine Section requests Emission Computerized Tomography, \$150,000.

This item is an addition to an existing system which will upgrade the system by changing the camera stand of the G.E. Large Field of View Camera and add electronic components. These modifications will result in the ability to utilize new technology involving techniques of emission tomography for diagnosis of disease. This technique is expected to be a standard part of the practice of Nuclear Medicine within one-two years; purchase of the equipment at this time permits Nuclear Medicine to maintain its role of evaluation and development of new techniques in the field.

EQUIPMENT ITEMS OF \$10,000 OR MORE

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Labs	Instrument interface Board	\$ 12,880	To provide funding for potential purchase given favorable evaluation of potential use.
	Spectrophotometer	18,940	To replace existing outmoded equipment.
	Microscope	26,000	To provide equipment to meet increased workload demand and provide better quality equipment.
	Microscope with Phase Contrast and Camera	13,000	To provide capability to observe, analyze and make permanent record of chromosomes of cells from human tumors.
	Centrifugal Analyzer	58,000	To provide capability to perform fibronectin assays, new procedure.
	Abbott ABA/100	20,000	To provide capability for enzyme immunoassay which have greater stability to reagents and eliminate problems of handling radioactive wastes.
	Computing Spectrophotometer	11,800	To provide capability to perform newly developed assays in coagulation laboratory.
	Inverted phase fluorescent microscope	18,000	To provide capability for new technique for developing results of tissue typing.
	CS Irradiator	41,000	To provide capability to irradiate cells for cell typing.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Labs (Continued)	Liquid Scintillation Counter	\$ 21,000	To provide equipment for counting all tests done with radioactive tritium.
	Continuous Flow Cell Separator	28,000	To provide capability to separate white cells from blood for cell donation or therapy.
	Arrhythmia analyzer, auto computer and system tester	15,000	To provide capability to produce produce 24 hour electrocardiogram for review in 3 minutes, reducing technician time and increasing volume capability.
	Tissue Processor	10,500	To replace existing equipment which requires frequent repair.
	Fluorescent Phase Contrast Microscope	11,248	To replace existing equipment which is dysfunctional.
	Titertek Multiscan	10,500	To provide ability to do ALISA test on viral antigens.
	18 Channel EEG Machine	18,900	To replace machine purchased in 1965, which is outdated and difficult to service.
	Co-oximeter	10,700	To provide equipment to measure oxygen saturation and oxygen tension in pediatric patients.
	Lab Glassware Dishwasher	12,000	To replace existing, dysfunctional equipment.
	Computer Terminals	32,890	To purchase equipment previously leased, enhance cost effectiveness.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
OAD/Computer Center	Data Communication Equipment	\$ 35,389	To expand data communication system to outpatient clinics.
		11,384	To Financial Accounting.
		37,968	To Pharmacy satellites.
	Burroughs System Upgrade: Local Memory	22,660	To expand computer system to include data communication system.
	Desk Data Banks	38,400	To support implementation of Pharmacy Unit Dose Computerized System.
Operating Rooms/	Novamatrix Transcutaneous Monitor	13,500	To provide continuous, non-invasive monitoring of blood gas levels.
	Ocutome Vetrectomy Console	12,000	To replace existing equipment which is requiring excessive maintenance and repair.
	Electro-Hydraulic O.R. Table	15,000	To continue replacement program begun in 1977; replaces obsolete table.
Outpatient Clinics	Colonoscope/Light Source	11,000	To replace existing, dysfunctional equipment.
Patient Monitoring	Patient Monitoring equipment	10,000	To expand monitoring capability in Operating Rooms.
	Blood gas analyzer	25,000	To replace existing outdated equipment.
Radiology	2 Portable Radiographs	66,000	To replace existing, dysfunctional equipment.
	3 Film Processors	49,500	To replace existing processors which have exceeded useful life; one for Department of Radiology, and one in Operating Rooms. One in VCHH.
	3 Video Tape Recorders	36,000	To replace existing recorders which are dysfunctional.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PROJECT</u>
Radiology (continued)	Video Desk Recorder	\$ 18,000	To replace dysfunctional equipment in Heart Cath Lab.
	Video Tape Recorder	12,000	To replace dysfunctional equipment in Heart Cath Lab
	Video Recorder	18,000	To replace obsolete equipment in Radiology Room, OR
	Remote Controlled Imaging System	99,400	To upgrade existing equipment and extended useful life. NOTE: Cost is overestimated, per recent departmental information from vendor.
	Pediatric Imaging System	50,000	To upgrade existing equipment and extended useful life.
	Magnification Radiography	50,000	To provide state of the art equipment for diagnostic procedures.
	Magnification Mammography	52,000	To provide state of the art equipment for diagnostic procedures.
	Ultrasound Imager	10,000	To provide state of the art equipment for diagnostic procedures.
	Diagnostic Ultrasound Unit	36,500	To replace existing equipment and upgrade technology.
	Patient Moving Device	10,650	To pilot test equipment which mechanically transfers patients from bed to litter, minimizing patient and employee risk.
	Scintillation Camera Tomography	25,000	To upgrade existing equipment and increase useful life.
	Collimators/Imager	20,000	To expand diagnostic technology in Nuclear Medicine.
	LAD Table Attachment	35,000	To upgrade function of existing table, Heart Cath Lab.

<u>DEPARTMENT</u>	<u>ITEM</u>	<u>COST</u>	<u>PURPOSE</u>
Radiology (continued)	Subtraction Disc Recorder	\$ 18,000	To provide state of the art equipment for the department.
	Portable fluoroscopy Unit	25,000	To refurbish existing equipment and avoid need to replace it.
Rehab Center	Budgeport Vertical Milling Machine with attachments	10,850	To expand Rehab program's services
	Evoked Response EMG System	14,000	To replace existing, dysfunctional equipment.
	Handicapped Modified Van	14,300	To provide vehicle for training and evaluation of driving skills of the handicapped.
Respiratory Care	2 Transcutaneous oxygen and carbon dioxide units	26,000	To provide on-line assessment of respiratory gas monitoring for pediatric patients.
Therapeutic Radiology	Treatment Planning Computer	80,000	To replace existing system which is outdated and mechanically deficient.
	50 KU Mobile Contact Superficial endo-therapy application	22,440	To provide treatment capability for patients with superficial carcinoma of the rectum.
TOTAL		\$1,410,799	

Attachment 4

III SUMMARY OF APPROVED NEW PROGRAMS - FISCAL YEAR 1980-81

<u>DEPARTMENT</u>	<u>PROGRAM</u>	<u>COSTS</u>
Pharmacy	Parenteral Nutrition Service	\$ 1,850
Nursing	Health Education Learning Resources Center	3,458
Personnel	AVIES (Audio-Visual & Instructional Equipment Service)	6,927
Cysto-Lab-OR's	Urodynamics Laboratory	60,000
Patient Monitoring	Peripheral Circulatory Assessment Lab	25,000
	TOTAL	<hr/> \$ 97,235

SUMMARY OF REMODELING/RENOVATION BUDGET

Renovation Projects of \$10,000 or more (7)	\$200,000
Renovation Projects of less than \$10,000 (82)	<u>183,575</u>
TOTAL	\$383,575

The attachments:

- Attachment 5: Remodeling/Renovation Budget
by Department
- Attachment 6: Remodeling/Renovation Projects of
\$10,000 or more

REMODELING/RENOVATION BUDGET BY DEPARTMENT

The remodeling/renovation budget, as allocated by hospital department, is shown below. No requested projects will require Certificate of Need review.

<u>DEPARTMENT</u>	<u>TOTAL</u>
Administration	
Anesthesiology	
Bio-Medical Engineering	
Building Systems	\$ 129,900
Chemical Dependency	
Clinical Psychology	
Computer Services	46,450
Environmental Services	
Financial Accounting/Budget	
Home Health	
Labs	75,000
Maintenance/Operations	
Materials Services	1,000
Medical Records	
Nursing	65,000
Nutrition	2,780
Operating Room	10,300
Outpatient	39,420
Patient Accounting	3,437
Patient Monitoring	
Patient Relations	256
Personnel/Payroll	
Pharmacy	
Psych	
Psych(OPD)	
Public Relations	
Radiation Therapy	950
Radiology	
Rehab	2,291
Respiratory Care	
Rural Co-Op	
Social Service	
Volunteer Services	5,000
	<hr/>
TOTAL	\$ 383,575

REMODELING/RENOVATION PROJECTS OF \$10,000 OR MORE

<u>DEPARTMENT</u>	<u>PROJECT DESCRIPTION</u>	<u>COST</u>
Building Systems	Construction of additional corridor on 1st floor Mayo to meet requirements of fire management program	\$ 75,000
Hospital Laboratories	Development of coagulation laboratory in available Mayo space; not included in major labs renovation project	40,000
Nursing Services	Conversion of space to accommodate food preparation/storage facility.	12,500
OAD/Computer Center	Installation of electrical service and air conditioning system for EKG computer.	30,000
Operating Rooms	Development of available space in BC 5th floor link for office/storage/locker area for O.R.	10,000
Outpatient Clinics	Modification of clinic area to meet needs of new otophysiology clinic.	10,000
Outpatient Clinics	Installation of gaskets around room doors and transoms to provide sound attenuation. Pilot project will be conducted to assure if installation meets objectives.	22,500

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
SUMMARY OF PROJECTED CAPITAL NEEDS
AS OF 1/1/80

	Hospital Obligation	Funded in Prior Years	Amount Remaining to be Funded	Fiscal 79-80	Fiscal 80-81	Fiscal 81-82	Fiscal 82-83	Fiscal 83-84	Fiscal 84-85	Fiscal 85-86	Fiscal 86-87	Fiscal 87-88	Fiscal 88-89	Fiscal 89-90
Recurring Capital Needs														
Equipment	\$48,905,835		\$48,905,835	\$3,005,835	\$ 3,200,000	\$ 3,400,000	\$ 3,600,000	\$ 3,900,000	\$ 4,200,000	\$ 4,500,000	\$ 5,000,000	\$5,500,000	\$6,000,000	\$6,600,000
Remodeling	3,126,125		3,126,125	591,125	360,000	325,000	300,000	275,000	250,000	225,000	200,000	200,000	200,000	200,000
	\$52,031,960		\$52,031,960	\$3,596,960	\$ 3,560,000	\$ 3,725,000	\$ 3,900,000	\$ 4,175,000	\$ 4,450,000	\$ 4,725,000	\$ 5,200,000	\$5,700,000	\$6,200,000	\$6,800,000
Short Term Support Projects														
Unit B/C Phase II	\$ 1,787,828	\$1,770,869	\$ 16,959	\$ 16,959										
Warehouse	1,520,261	1,447,761	72,500	72,500										
Life Safety	4,285,037	4,073,174	211,863	211,863										
Lab Computer	350,000	-0-	350,000		350,000									
Computer Hardware	4,485,000	428,849	4,056,151	442,435	660,287	694,787	709,787	634,787	432,859	481,209				
Mayo Remodeling, Lab, Rad.	9,000,000		9,000,000	1,050,000	6,290,000	1,660,000								
Linear Accelerator	1,500,000	680,000	820,000	307,500	512,500									
Computer Space	1,000,000		1,000,000	400,000	600,000									
Data Div. Computer	520,000		520,000	520,000										
Expanded Unit B/C	1,500,000		1,500,000			500,000	500,000	500,000						
	\$25,948,126	\$8,400,653	\$17,547,473	\$3,021,257	\$ 8,412,787	\$ 2,854,787	\$ 1,209,787	\$ 1,134,787	\$ 432,859	\$ 481,209				
Major Facility Replacement														
Renewal Project														
New Construction	\$180,881,870		\$180,881,870	\$2,050,000	\$ 7,364,340	\$47,752,093	\$63,137,843	\$50,182,094	\$ 3,445,500	\$ 6,950,000				
Remodeling	40,133,130		40,133,130					2,973,130	12,386,667	12,386,667	12,386,666			
Other	580,000		580,000	580,000										
	\$221,595,000		\$221,595,000	\$2,630,000	\$ 7,364,340	\$47,752,093	\$63,137,843	\$53,155,224	\$15,832,167	\$19,336,667	\$12,386,666			
Grand Total	\$299,575,086	\$8,400,653	\$291,174,433	\$9,248,217	\$19,337,127	\$54,331,880	\$68,247,630	\$58,465,011	\$20,715,026	\$24,542,876	\$17,586,666	\$5,700,000	\$6,200,000	\$6,800,000

Combined Unit H/MSR
Early Construction
Analysis for 1/28/80.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

MEMO

TO: University of Minnesota Hospitals and Clinics Board of Governors
FROM: John H. Westerman, General Director *John H Westerman*
SUBJECT: Capital Facilities and V.A. Hospital Discussions
DATE: March 10, 1980

At the February, 1980 meeting of the Board of Governors, it was determined that two documents should be developed for discussion and review by the Board at its March, 1980 meeting.

Enclosed are drafts of a "Position Paper on Capital Facilities" as well as a listing of the potential advantages and disadvantages of relocating the Minneapolis V.A. Hospital to the University Campus. The general nature of these documents have been reviewed with Mr. Hanser, and he asked that they be distributed to the Board for review prior to the March meeting.

Please feel free to contact me if you have any questions.

kc

enclosures

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS BOARD OF GOVERNORS
POSITION PAPER ON CAPITAL FACILITIES

March, 1980

Introduction and Background

The University of Minnesota Hospitals and Clinics Board of Governors was initially appointed by the Board of Regents in January of 1975. Since that time the Board, through its Planning and Development Committee, has undertaken a complete and detailed review of the physical facilities which comprise the University Hospitals and Clinics complex.

This review of physical plant has utilized a variety of resources including external consultants, University and Hospital planning reports, the findings of external regulatory and accrediting agencies, on site inspections, and interviews with medical and professional staff. These evaluations have been reviewed in relationship to the Mission Statement of University Hospitals and Clinics, the overall Health Sciences and University of Minnesota Missions and Goals, and the local, state, and national health goals. The intent of this document is to summarize, on the basis of these investigations, the findings and conclusions of the Board of Governors regarding physical facilities.

Findings and Conclusions

The Board of Governors has determined that the aggregate existing physical facilities available to University Hospitals and Clinics are inadequate in quality and space to support the missions and goals of University Hospitals and Clinics, the Health Sciences, the University of Minnesota, and the health system. More specifically, the Board has determined that:

- (1) The total space available for inpatient units, clinical support departments, and hospital departments is 40-50% below contemporary standards.
- (2) Certain buildings within the complex contain facilities; which because of age, design, and location; will not adequately support acute health care programs even with extensive remodeling. This is especially true of facilities comprising the Mayo Complex and the Variety Club Heart Hospital.
- (3) Certain buildings within the complex are, and will continue to be, useful for programs and functions which do not require high technology support facilities (i.e. Variety Club Heart Hospital, Childrens Rehabilitation Center, Mayo Complex). The Masonic Memorial Hospital has continuing utility as an acute care facility.

- (4) Ambulatory care facilities which include expansion capability into adjacent shell space are felt to be adequate.
- (5) In addition to deficiencies in total space and quality of facilities the present configuration of hospital services, by horizontal and vertical location, are significant barriers to upgrading efficiency and quality within the Hospital Complex.

These findings have been reached in relationship to the existing level and scope of hospital activity. It is the Board's conclusion that the present level, or a moderate decrease in patient days and admissions, requires upgrading of acute care facilities.

On the basis of these findings and conclusions the Board has investigated a variety of alternative solutions including remodeling, complete replacement, phased new construction and remodeling projects, and a single new construction and remodeling project. The Board has concluded that of these options, the one which best resolves the space, functional, efficiency, and capital cost requirements is a single new construction and remodeling project. This project has been identified as the "University Hospitals Renewal Project."

Resolution

Be it resolved that the Board of Governors of University Hospitals and Clinics has determined that the proposed single unified construction and remodeling project - known as the University Hospitals Renewal Project - is the best solution to correct the space, functional, and efficiency problems of the University Hospital and Clinics Complex. It therefore endorses the development of this project at funding levels determined by the Board of Governors and Board of Regents.

POTENTIAL ADVANTAGES/DISADVANTAGES OF RELOCATION OF
THE MINNEAPOLIS V.A. HOSPITAL TO THE UNIVERSITY OF MINNESOTA CAMPUS

Preface: A discussion of the advantages and disadvantages of relocating the Minneapolis V.A. Hospital to the University campus implies that a site has been, or could be, made available. At the present time no such site has been identified, and a high probability exists that private land and/or major demolition would be required. Therefore, while the advantages and disadvantages listed below assume a proximal location to University Hospitals and Clinics, it should be understood that major barriers exist to such a relocation. Relocation of the Minneapolis V.A. Hospital to a more remote campus site will alter both the advantages and disadvantages identified.

Potential Advantages:

- an increased ability, especially for the V.A., to recruit and retain full-time medical staff through the constant stimulation and "psychological pay" of proximity, prestige, promotional opportunity, and participation in academics.
- an increased ability, especially for the V.A., to recruit residents of adequate quality and numbers to provide medical care services in all specialty areas.
- a general upgrading and assurance of quality care through the constant interface of a larger contiguous medical staff and greater access to specialists in all clinical areas.
- an increased ability to attract federally funded programs through an increase in the number of patients and faculty in one location.
- an increase in the number of patients accessible for all Health Sciences clinical studies and clinical education.
- an increase in the flexibility of clinical resident assignments.
- the ability to assure the maintenance of a critical mass of core services and programs for the fulfillment of University and V.A. missions.
- improved communication, coordination, and teaching information exchange, research, Health Sciences educational programs, etc.
- the potential for avoiding duplication of programs and services.
- the potential sharing of facilities and equipment in high cost/low volume areas.
- a reduction in transportation time between facilities with resultant increased productivity - especially for the medical faculty.
- a potential for increased options for programmatic financing.

- the potential of increasing the availability and convenience of specialty services for a larger patient population.
- a potential opportunity for V.A. employees to utilize University educational programs and services.
- closer proximity, for V.A. patients and visitors, to "downtown" hotels, restaurants, and entertainment.
- a potential enhancement of Minneapolis and the University as "major hubs" of multi-functional activity.

Potential Disadvantages:

- the potential loss of a clear V.A. Hospital identity.
- the potential opposition of Veterans groups due to a perceived loss in responsiveness and identity.
- increased complexity in relationships and bureaucratic requirements (compensation, contracts, etc.)
- the increased congestion of the University Campus and the loss of "tranquil" and "easygoing" atmosphere of the present V.A. site.
- potential opposition from employees living in south suburbs and neighborhood groups proximal to both the V.A. and University.
- potential impact in overall University growth patterns, Hospital and Clinic long-range plans, parking problems, and program priorities.
- potential diseconomies of scale due to the aggregate size of the complex with resultant higher costs and greater inefficiencies.
- a substantive delay in the upgrading and replacement of both the University and V.A. physical plants with multi-million dollar consequences and possible jeopardizing of available funding for these programs at a later date.
- a possible disruption of present campus activities including the probable need to demolish one or more existing facilities which would have to be replaced prior to relocation of V.A. to the University Campus and initiation of University Hospitals Renewal Project.
- potential adverse financial consequences due to contract disagreements in future years and the potential impacts of the future V.A. health care system on national health insurance.
- a potential need to replace greater portions of the University Hospital physical plant to bring about a truly integrated and efficient joint University/V.A. health facility complex.
- the concentration of nonacute health care services provided by the V.A. in an already congested urban site.

- a potential realignment of existing relationships among the four public hospitals within the metropolitan area.
- a potential adverse public reaction to the public/poor image resulting from a transfer of the V.A. population to the University Campus.
- the potential occurrence of problems arising from joint activities and relationships which have been experienced at other joint projects throughout the United States.

MINUTES OF THE
BOARD OF GOVERNORS

PLANNING AND DEVELOPMENT COMMITTEE

Meeting: Wednesday, February 20, 1980

Present: Mr. Atwood, Chairman
Dr. Winchell
Mr. Hewitt
Ms. Perlmutter
Mr. Bienias
Mr. Moline
Ms. Sandberg
Mr. Westerman
Mr. Dickler

Absent: Ms. Givens
Ms. Vann
Dr. Tiede
Dr. Resch
Dr. Eisenberg
Dr. Quie

Guests: Ms. Ahlgren
Ms. Foley
Mr. Domaas
Mr. Olson

The Board of Governors Planning and Development Committee was called to order by Chairman Atwood at approximately 12:00. A motion was made and seconded to approve the minutes of January 16, 1980 which was unanimously approved.

Chairman Atwood then noted that the primary business of the Committee was to review the master zoning schema developed by Robert Douglass Associates and other consultants for the Renewal Project. He also noted that the Committee would need to discuss at the conclusion of the presentation and questions what action should be taken regarding the master zoning schema and to determine whether a joint meeting with the Board of Regents on March 14, 1980 was appropriate and timely. Chairman Atwood then asked Mr. Dickler to introduce Mr. Olson and the master zoning schema discussion.

Mr. Dickler then briefly commented that the master zoning schema was essentially an outline of the overall planning for the Renewal Project and was the baseline upon which the consultants and Hospital planning staff were completing programming and initiating schematic design development on March 3, 1980. He noted that it was essential that the Planning and Development Committee feel comfortable with the overall

master zoning schema and that they bring to the staff's attention any major concerns that they might have so that these concerns could be properly incorporated into the planning and design process. Mr. Dickler then asked Mr. Olson to review the master zoning schema in detail.

Mr. Olson introduced the master zoning discussion by briefly reviewing the planning process utilized to develop the plan. He made special mention of the critical and essential support received from the Medical and Hospital Staff in the development of these plans and noted that this proposal was formally approved by the internal Hospital decision-making group on January 11, 1980.

Mr. Olson then discussed the general planning assumptions which were utilized in the development of the master zoning schema including the relocation of all patient beds out of the Mayo complex, the aggregation of the most acute patient and support services within the new construction component of the Renewal Project, and the utilization of Masonic, Variety, and Rehabilitation Center facilities on an ongoing basis for inpatient activities. Mr. Olson then commented that the overall zoning plan identified a need for approximately 690,000 gross square feet of new construction, approximately 320,000 gross square feet of remodeling, and an approximate cost of \$200 to \$222 million dollars with construction beginning in July of 1981.

The Planning and Development Committee then reviewed the master zoning schema on a floor by floor basis with special attention to the cross section identifying the interface between existing facilities and the new construction component of the Renewal Project. This material is summarized in the interim master zoning report which was distributed to all Committee members. Special emphasis was placed upon the rationale behind relocation of certain departments as well as the concentration of certain types of patient and support activity on various levels of the complex. The general discussion was concluded with comments noting that this master zoning schema reflected the best plan for functional integration of all patient care and support activities within the complex given the financial, site, and facility limitations inherent within the Renewal Project. The Committee then discussed at length the proposal as presented by Mr. Olson.

In response to questions Mr. Olson noted the following specific aspects of the master zoning schema - that the final location for the Cystoscopy suite was still under review but that it would probably either remain in its present location with some expanded facilities or relocate on the fifth floor of Mayo more proximal to the Renewal Project; that the main entrance for the new construction portion of the Project would be located either on Harvard or Essex Streets and that the emergency entrance would be located either on Harvard or River Road; that each of the patient care floors identified contains 26 beds per patient care unit (25 for a Pediatric Unit) or approximately 104 beds per floor with appropriate sharing of support facilities between pairs of 26 units and for the overall support of four units per floor; that the percentage of single rooms identified for development in this project was approximately 80% of all new beds.

Mr. Dickler noted that Ms. Coates had contacted him prior to the meeting and expressed concern about the high proportion of single bed facilities in light of her personal experience and comments from other health professionals which indicated that there were certain advantages to double rooms in terms of patient socialization and staffing configurations. The differing viewpoints regarding the advantages and disadvantages of single rooms were discussed at some length. The Committee concluded that the present proposal for development of 80% of all rooms as single bed rooms seemed appropriate in light of the patient care requirements, occupancy requirements, and development of appropriate support and ancillary facilities for public congregation and other socialization activities. It was noted by several Committee members that predominance of single rooms was the dominant philosophy in hospital construction today and provided the greatest flexibility for future utilization. It was also noted by several individuals that such construction was more expensive from a physical facility standpoint but that internal staffing studies had indicated that given proper design configurations no premium would be required for overall nursing staffing patterns.

At the conclusion of this general discussion the Committee discussed at some length the tentatively scheduled joint meeting with the Board of Regents on March 14. The Planning and Development Committee determined that it would be appropriate to endorse the interim master zoning schema as presented and that it should be presented in some detail to the full Board of Governors later that afternoon. In addition the Committee also felt that it would be appropriate, given overall Board of Governors concurrence, that the joint meeting with the Regents for March 14 take place and that the major agenda items be a review of the master zoning schema as well as an update regarding the debt capacity study utilizing the cost figures developed through the Master Zoning scenario. It was then moved and approved by the Planning and Development Committee that it endorse the interim master zoning report, and this motion was unanimously agreed to.

The Planning and Development Committee then turned its attention to a draft letter from the Hospital to the Metropolitan Health Board requesting waiver from the requirement for certificate of need for the development of a computer facility remodeling project and the acquisition of some other computer hardware. Mr. Dickler noted that the three major items were the relocation of the main computer facility from Powell Hall to the basement of the Rehabilitation Center, the expansion of the Laboratory Computer system, and the enhancement of the Electrocardiogram Computer System. Further discussion identified that the relocation of the main computer facility was part of the long-range plan and was needed to accommodate the continued growth of the computer center as well as to make provision for the demolition of Powell Hall for the Renewal Project. In relationship to the lab computer equipment and EKG computer equipment these were both viewed as cost beneficial with payback times of four to five years.

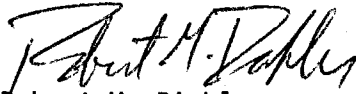
Further discussion indicated that this requested waiver was an initial draft and that precise dollar figures and enhanced rationale would be available by the March meeting of the Board of Governors. Mr. Dickler did note, however, that preliminary approval by the Planning and Development Committee would facilitate submission of the waiver letter and

expedite the overall timetable for the relocation and equipment acquisition. The Committee, after some discussion, then moved and approved the submission of a waiver letter to the Metropolitan Health Board for these items with final approval to be determined at the March 1980 meeting.

Finally, Mr. Dickler commented for the Committee that the 1980-81 capital budget was in the preparation stages and that it would be ready for Committee review in either March or April of 1980. He noted that the staff anticipated that the requests would fall within the general bounds of the long-term capital financing plan which had been discussed and reviewed by the Planning and Development Committee over the last several years.

There being no further business before the Planning and Development Committee it adjourned at approximately 1:25 p.m.

Respectfully submitted,



Robert M. Dickler

RMD/kc